FBIS DAILY REPORT CONTENTS

Latin America

Vol VI No 028 11 February 1987

INTER-AMERICAN AFFAIRS

Round-Up of EEC-Contadora-C.A. Ministers' Summit A 1
Salvadoran Minister on Absence A 1
[San Salvador]
Honduras, El Salvador 'Unyielding' [Managua] A 2
Spanish Foreign Minister Arrives A 2
Carpio Ends Tour Promoting Regional Parliament [DPA] A 3

ARGENTINA

Weapons Cache Found in Buenos Aires Province B 1
Army Chief of Staff Considers National Issues B 1
1986 Grain Exports Show 'Substantial Decrease' B 2
[BUENOS AIRES HERALD 7 Feb]

BOLIVIA

Social Tensions Increase, Four Leaders Detained [AFP] C 1
Ecuadoran Minister Meets With President [AFP] C 1

BRAZIL

Itamaraty Reports on Soares, Gorbachev Visits D 1
Article Considers Arms Deals With Israel [FOLHA DE SAO PAULO 30 Jan] D 1
Gros Appointed New Central Bank President D 3
Meat Price Freeze To End; Price Drops Expected D 3

CHILE

MDP, IC Want Pinochet To Testify on Letelier [EFE] E 1
Pinochet Calls Fernandez Larios 'Deserter' E 1
Radio Caracol Attacked; Technician Injured [EFE] E 2
Almeyda Defends Communist Party Armed Branch E 2
[EL MERCURIO 27 Jan]

COLOMBIA

Armed Forces Receive Israeli Arms Shipment [AFP] F 1
Dynamite Attacks Rupture Oil, Gas Pipelines F 1
Lehder Says Deaths Linked to Extradition Treaty F 1

PARAGUAY

TV Shows Stroessner Receiving Foreign Guests H 1
Further on Teargassing of U.S. Envoy's Gathering H 1
EL DIARIO Reports Incident [10 Feb] H 1
Eyewitness Provides Details H 1
Taylor Responds [LA TARDE 10 Feb] H 3
SI Delegation Arrives, Welcomed by Opposition [HOY 5 Feb] H 3
Holds Meetings, Departs [EL DIARIO 8 Feb] H 3
Catholic Radio Station Announces New Programming [ULTIMA HORA 9 Feb] H 4
Briefs: Israeli Ambassador Presents Credentials H 4

PERU

Government Calls AI Report 'False, Biased' [EFE] J 1
Inmates Riot, Hold Hunger Strike in Lima [AFP] J 1
Curfew Imposed in Flood-Damaged Regions [AFP] J 2
LATE REPORT: Government Communique on Cuban Refugees J 3

URUGUAY

Ferreira Aldunate Discusses Party Platform K 1

MEXICO

Foreign Debt Agreement Reached With Spain M 1
[EL DIA 5 Feb]
Editorial Comments on U.S. Official's Remarks M 1
Briefs: Non-Oil Trade Deficit M 2

PANAMA

USSR Supreme Soviet Invites Legislators To Visit [LA REPUBLICA 9 Feb] N 1
Briefs: Cocaine Seized on Ship N 1

CENTRAL AMERICA

COSTA RICA

President Arias To Visit Mexico 25-27 February P 1
Arias, Rivera React to Nicaraguan Communique P 1
[LA PRENSA LIBRE 4 Feb]
Arias Voices Support for C. A. Parliament P 2
[LA REPUBLICA 5 Feb]
Relations, Policies Toward Nicaragua Reviewed P 4
[LA NACION 5 Feb]
U.S. Engineers' Work 'of a Military Nature' P 5
[LIBERTAD REVOLUCIONARIA 30 Jan-5 Feb]

GUATEMALA

Station Sees Deterioration of 'Active Neutrality' P 6
FAR Leader Assesses Cerezo Government Policies [AFP] P 7

HONDURAS

Azcona, Lopez Contreras Hold News Conference P 8
PNH Leader Callejas Views Contra Problem P 15
[LA TRIBUNA 7 Feb]
Commission on Contras To Announce Opinion Soon P 16
[TIEMPO 9 Feb]

NICARAGUA

BARRICADA Cites Cesar, Cruz on Contra 'Crisis' [8 Feb] P 16
Nunez Eyes Church-Government Negotiations P 18
[BARRICADA 8 Feb]
Relations With Socialist Bloc Reviewed P 19
[EL NUEVO DIARIO 8 Feb]
PSN, MAP-ML Reject Opposition Parties Document P 21
[BARRICADA 7 Feb]
KISAN Leaders Say Situation 'Difficult' P 22
[LA REPUBLICA 5 Feb]
Opposition Party Chief Decries Political Climate P 23
[Vienna NEUE KRONEN-ZEITUNG 7 Feb]

CUBA

Commentary Rejects UN Rights Violation Charges Q 1
Nicaraguan Government, Church Review Agenda Q 1
Commission Talks End Q 2
Angola Receives Television Transmission Signal Q 2
Travieso To Chair New Labor Union Commission Q 3
Meeting Eyes Rural Havana School Enrollment Q 3
L.A., Caribbean Food, Health Workshop Begins Q 3

CARIBBEAN

BARBADOS

Development Bank Releases Annual Report S 1

HAITI

Police To Enter Homes Without Search Warrants S 2

ST LUCIA

Compton To Study Airline's Ties to CIA, Iran Deal S 2

TRINIDAD AND TOBAGO

Prime Minister Declares War on Illegal Drugs S 2
Magistrates Sent 'on Vacation' S 3
Convention Elects Manning Head of Movement S 3

SURINAME

Bouterse, Parties Analyze 'Democratization Plan' U 1
[Amsterdam DE VOLKSKRANT 22 Jan]
Suralco To Provide Electricity to Paramaribo U 2

ROUND-UP OF EEC-CONTADORA-C.A. MINISTERS' SUMMIT

PA110331 Panama City ACAN in Spanish 0106 GMT 11 Feb 87

[Text] Guatemala City, 10 Feb (ACAN-EFE) -- The Contadora Group's efforts were strengthened during 2 days of controversial talks between Central America and the EEC, because the initiative is considered the "only viable option" to achieve peace in the region. This conclusion, plus the confirmation that the dialogue between Central America and Europe continues, are the two main agreements reached during the talks held in this capital.

In the economic sector, the EEC has pledged to support development plans for nearly $80 million, practically the same amount it granted last year.

Diplomatic sources have indicated that the pledges adopted and principles supported during the summit mark a certain success for the 2-day meeting, particularly after the gloomy outlooks tht preceded the "summit."

The sources insisted that the role of the Contadora Group (Venezuela, Colombia, Mexico, and Panama) and the most viable option to seek peace in Central America were analyzed during the talks. Nevetheless, the sources added, "the peace process' greatest problems remain unsolved."

The final agreement urges the countries with interests in the region to help "create a favorable atmosphere" with the intention of eliminating area tensions and avoiding an overall conflict. The agreement also makes a favorable evaluation of the democratization processes in Central America, without naming any specific country.

Costa Rican Foreign Minister Rodrigo Madrigal Nieto said that the final communique stated that Contadora is "currently the only viable option" but this "does not mean that there might not be other options in the future." Madrigal Nieto stated that the final document is "satisfactory" for Costa Rica.

Likewise, President Vinicio Cerezo stated that the "summit" provided "the opportunity to reach agreements among Central Americans." The Guatemalan president also praised the support Europe has given to the regional peace process.

Salvadoran Minister on Absence

PA101545 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 10 Feb 87

[Text] Guatemala City -- Sources at the third conference of foreign ministers of the Central American, EEC, and Contadora Group have labeled the charges which Salvadoran Foreign Minister Ricardo Acevedo Peralta levied against Nicaragua as a incident that could affect the development of the meeting. Foreign Minister Acevedo Peralta did not attend the inauguration of the conference. He arrived past noon in Guatemala City and immediately summoned a press conference to level serious charges against the Nicaraguan Sandinist regime.

The Salvadoran foreign minister said that because of Nicaragua's opposition to El Salvador, Central America was not represented at the inauguration of the conference. A Central American foreign minister was scheduled to give a speech as Venezuelan Foreign Minister Simon Consalvi did for Contadora and Leo Tindemans did for the EEC. Acevedo Peralta said that since the Costa Rican and Guatemalan foreign ministers had acted as spokesmen during the San Jose and Luxembourg meetings, respectively, it was El Salvador's turn.

Honduras, El Salvador 'Unyielding'

PA101459 Managua Domestic Service in Spanish 0300 GMT 10 Feb 87

[Report by Edgar Barberena of ANN]

[Text] Honduras and El Salvador are attempting to boycott the Guatemala meeting.

From Guatemala City, ANN. Diplomatic sources of the joint Europe, Central America, and Contadora meeting reported recently that Honduras and El Salvador are attempting to boycott the issuing of the [words indistinct] joint declaration. The sources told ANN that 20 of the 24 points of the declaration have already been approved. However, Honduras and El Salvador are making every effort to prevent the approval of the last four points, which deal with the strengthening of peace in the Central American region. The sources said that these countries are maintaining an unyielding position that includes the threat to not approve the final document.

The technical work groups of the EEC, Central America, and the Contadora Group began discussions on 5 February based on a document presented by the European foreign ministers, which expresses firm support for the Contadora negotiations. It was reported that since the beginning of the talks the so-called Tegucigalpa Bloc has attempted to minimize the role of the Contadora Group. On Saturday it began to draft a compromise text [texto conciliador]. Despite this new document, which they drafted in an attempt to overcome the impasse, the two countries late last night continued to defend unyielding positions.

Spanish Foreign Minister Arrives

PA081847 Panama City ACAN in Spanish 1701 GMT 9 Feb 87

[Text] Guatemala City, 8 Feb (ACAN-EFE) -- Spanish Foreign Minister Francisco Fernandez-Ordonez arrived here today "cautiously optimistic" over participating in the diplomatic "summit" that will begin in Guatemala tomorrow and which has been called "San Jose III." Fernandez-Ordonez arrived in Guatemala from Mexico this morning to attend a meeting that will gather foreign ministers and top officials of Central America, the Contadora Group, and the EEC from 9 to 11 February. At a news conference held at the airport, Fernandez-Ordonez said that the outlook for the meeting "seems to be more optimistic than it was a few days ago." He expressed the Spanish Government's gratitude for Guatemala's efforts "to made this difficult meeting a success," a difficulty that he attributed to "many interests." He did not elaborate.

The meeting intends to implement an economic cooperation project between the EEC and Central America and seek paths for reactivating the peace negotiations begun by the Contadora Group (Mexico, Colombia, Venezuela, and Panama) 4 years ago.

The foreign minister stressed Spain's full support for these peace efforts and noted that his country defends "an overall (peace) project without partial solutions." Fernandez-Ordonez said: "At this meeting, we will try to come up with an economic agreement that will reinforce the political dialogue." "The important thing is for the dialogue to continue," he added.

This will be the first occasion since June 1986 that the five Central American countries will sit at the same table. The dialogue was suspended after the countries allied with the United States refused to sit at the same bargaining table with Nicaragua as long as the Sandinist government maintains a suit at the International Court of Justice against Costa Rica and Honduras over their alleged support for the "contras."

Fernandez-Ordonez is one of the 5 EEC foreign ministers who will attend the meeting while the other 12 EEC nations will be represented by top diplomatic officials.

The Guatemalan foreign minister greeted Fernandez-Ordonez at the airport. The two foreign ministers exchanged views about prospects for the meeting. The Belgian, Greek, and Spanish foreign ministers have been the only ones to arrive in this capital this morning. President Vinicio Cerezo will open the meeting at 1000 (1600 GMT) tomorrow.

CARPIO ENDS TOUR PROMOTING REGIONAL PARLIAMENT

PA062248 Hamburg DPA in Spanish 1542 GMT 6 Feb 87

[Text] San Salvador, 6 Feb (DPA) -- Guatemalan Vice President Roberto Carpio Nicolle today in San Salvador concluded a tour through Central America to promote the creation of a Central American parliament. The regional organization would be created on Guatemala's initiative, according to the document presented during the summit in Esquipulas, Guatemala, in May 1986. The document was welcomed by all regional leaders.

Carpio Nicolle said last night upon his arrival in El Salvador from Nicaragua that he had found a receptive atmosphere on his visits and added that the parliament could never become a bloc "against the Sandinist regime, because I have also received their suppport." He will meet today with Salvadoran President Jose Napoleon Duarte, Vice President Rodolfo Antonio Castillo, and Deputy Foreign Minister Rafael Maza Martelli, who is currently in charge of the Foreign Ministry.

The visitor explained that during his tour he had met with the Central America parliament's technical commission. These commissions were created in each country to gather information about the document Guatemala presented upon request from the Central American parliament's preparatory commission. The preparatory commission was created last year in Guatemala during the first meeting of the area's vice presidents. The documents refers to the Central American parliamentary system, which would have three levels: 1) the parliament itself; 2) the vice presidential forum to analyze the topics concerning the area's economic intergration; 3) the presidential summit.

Carpio Nicolle said that the parliament will be a support mechanism to find solutions for any problems that may arise without appealing to other forums. He added that he has not encountered any obstacles and he hopes the same will be true in El Salvador. During his visit to El Salvador he will also discuss the Trifinio [meeting point of three territorial divisions] Treaty with the intention of developing an agreement about the area where Guatemala's eastern sector meets with the the western sectors of El Salvador and Honduras, and thus improve commercial relations between the three countries. The zone is currently abandoned, and the treaty seeks to generate a reactivation that will favor businessmen in the three countries.

Carpio Nicolle said that they will also discuss the "Central America-ECC" cooperation conference that will soon be held in the Guatemalan capital.

WEAPONS CACHE FOUND IN BUENOS AIRES PROVINCE

PY101702 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1547 GMT 10 Feb 87

[Text] La Plata, 10 Feb (NA) -- Juan Portesi, interior minister of Buenos Aires Province has confirmed that "arrests have been made" in connection with the operation conducted in Monte Grande where approximately 150 weapons have been seized.

The provincial interior minister indicated that the operation was carried out "on instructions from a federal judge" whose name he did not give. He also said that "Federal Police conducted the operation."

Portesi made it clear that he would not supply any further details "so as not to jeopardize the investigation" but he did emphasize that the arsenal seized "is very large."

Meawnwhile, sources of the Buenos Aires provincial police have indicated that the case is entirely in the hands of the courts and the Federal Police because of "a matter of jurisdiction." The sources also confirmed that the arms cache is very significant.

ARMY CHIEF OF STAFF CONSIDERS NATIONAL ISSUES

PY102236 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1258 GMT 10 Feb 87

[Text] Buenos Aires, 10 Feb (NA) -- Army Chief of Staff General Hector Rios Erenu today predicted that Argentine society "will inevitably face a conflict" unless it resolves the antagonism between civilians and the military, because of the "radicalization of positions" on the so-called struggle against subversion. "This will cause chaos in the short- or medium-term, and we must start speaking a new language in which there are not two antithetical societies but rather a single society in which one part is charged with the national defense," the military leader amphasized.

In comments to Radio del Plata, Rios Erenu this morning denied that he had thought of asking to be sent into retirement if any Army officer on active duty is indicted. He also denied that there is concern among military officers about the trials for human rights violations. Rios Erenu explained the scope of the message he sent yesterday to all the military units to mark the 12th anniversary of the beginning of "operation independence." The message endorsed the struggle against subversion. In this regard, Rios Erenu stressed that the purpose of the message was "to commemorate military operations that were ordered under a constitutional government."

"In a brief summary on "operation independence," we intended to describe the situation in Tucuman province at that time, how the events developed, and finally to reassert that the Army's position during this stage was to strengthen the political system," Rios Erenu said. Rios Erenu stressed that "there are two sides to the struggle against subversion, and if everyone radicalizes his position, we will inevitably face conflict. We must seek common goals and mutual understanding." Rios Erenu added: "The Army and the other branches have accepted the decision of the civilian government to solve the problem of the struggle against subversion, on which the government has already adopted a long series of measures."

In this regard, Rios Erenu mentioned "the decrees for the trial of the commanders in chief, which were followed by other measures and laws, and concluded with the instructions of the country's attorney general."

He added that "in this regard, we have conformed to the state of law, and we will endorse what the courts determine, despite sectorial convictions."

Rios Erenu denied that there is concern over the summoning of officers, although he admitted that "this problem is being constantly monitored because the government measures are aimed at preventing the Armed Forces from confronting the rest of the society."

Rios Erenu also denied that he had intended to ask to be sent into retirement if the courts summon active-duty Army officers to testify. He said these reports "are part of a campaign" of sectors "that want the country to fail to find a solution to its problems."

Referring to a part of his message in which he stated that "the people who were defeated yesterday are pressing today," Rios Erenu said that he was referring to "all those who want a different kind of country from the one we fortunately have now, and who, hiding behind institutions, are trying to promote revenge instead of justice."

Rios Erenu emphasized: "They do not understand that we have to live in democracy, in conciliation. In no way do they want a sovereign and popular will to rule the country's destiny. They oppose democracy and are authoritarians in every sense."

1986 GRAIN EXPORTS SHOW 'SUBSTANTIAL DECREASE'

PY080112 Buenos Aires BUENOS AIRES HERALD in English 7 Feb 87 p 3

[Text] (NA) -- The 20,813,365 tons of grain and related products exported in the first 11 months of 1986 represent a substantial decrease by comparison with the 1985 total of 27,930,100 tons.

Figures released by the National Grain Board show that maize accounted for 35.1 percent, wheat for 18 percent, soybean for 12.4 percent and sorghum for 9.3 percent of the exports.

The leading importers of Argentine grain were The Netherlands (2,846,889 tons), Japan (2,785,421 tons including 1,276,189 tons of maize), Iran (1,540,007 tons including 488,279 tons of wheat and 867,842 tons of maize), Brazil (1,503,530 tons including 633,843 tons of wheat and 859,037 tons of maize) and Italy (999,787 tons).

Mexico, West Germany and Peru all imported more than the Soviet Union, which accounted for a mere 2.36 percent of Argentine grain exports, namely 506,050 tons including 15,288 tons of wheat and 387,743 tons of maize.

Wheat exports were down from 9,618,400 tons to 3,761,447 tons but maize exports actually rose from 7,040,800 to 7,325,231 tons.

Rosario was the country's chief port last year, exporting 6,859,031 tons followed by San Lorenzo (4,507,786 tons), Buenos Aires (2,296,954 tons) and Bahia Blanca (2,215,005).

SOCIAL TENSIONS INCREASE, FOUR LEADERS DETAINED

PY101625 Paris AFP in Spanish 0209 GMT 9 Feb 87

[Text] La Paz, 9 Feb (AFP) -- Jose Maria Palacios, Bolivian Labor Confederation (COB) leader, today reported here that civilian Interior Ministry agents have raided COB headquarters and detained four of its members. Palacios said that the detainees are: Daniel Agudo, of the Teachers' Confederation; Anibal Castanon, of the Confederation of Bank Employees; Justo Perez, of the Miners' Federation; and Alberto Echazu, a COB advisor.

Interior Minister Fernando Barthelemy explained, however, that the COB members had merely been invited to hold talks with him at his office, and that they will be able to resume their activities within a few minutes. Nevertheless, the Oil Federation reported that 17 leaders of the oil sector were detained in various parts of the country, and that this has prompted a general, indefinite strike at the Bolivian Government Oil Deposits [YPFB].

Meanwhile, numerous teachers, who were demonstrating against the delay of the beginning of the school year, were dispersed by government security forces.

It has been reported that tension in the oil sectors, banks, teachers associations, and in the health sector started to increase in Bolivia a few days ago.

The YPFB workers are striking in La Paz, Cochabamba, and Santa Cruz, while the workers at other oil-producing districts have declared a state of emergency.

Energy Minister Carlos Morales said that President Victor Paz Estenssoro's administration will not negotiate under pressure, and will enforce the principle of authority at all times.

Information Minister Herman Antelo announced that the government has ordered that criminal charges be brought against the oil union leaders. It was reported that Interior Ministry agents have detained German Barraza, secretary general of the Oil Workers Federation, who will be brought to court in the next few hours.

The oil workers union is demanding a larger budget for the YPFB, while the government -- with its neoliberal policy -- would rather have private consortiums exploiting hydrocarbons.

A few hours ago, the energy minister announced that 2,000 of the 7,000 YPFB workers will be dismissed, following the policy of reducing the number of personnel currently working at this company.

ECUADORAN MINISTER MEETS WITH PRESIDENT

PY101437 Paris AFP in Spanish 0455 GMT 10 Feb 87

[Text] La Paz, 9 Feb (AFP) -- Ecuadoran Minister of Industry and Commerce Javier Neira Mendez today emphasized the good level of relations between Ecuador and Bolivia during a meeting with President Victor Paz Estenssoro. Niera Mendez delivered to the Bolivian president a letter from Ecuadoran President Leon Febres Cordero. Neira Mendez also said that the debate on Decision 24 of the Andean Pact regarding foreign capital will be the most important issue to be tackled by the ministers discussing integration.

ITAMARATY REPORTS ON SOARES, GORBACHEV VISITS

PY101322 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 10 Feb 87

[Excerpts] Portuguese President Mario Soares will visit Brazil on 25 March. He will fly directly to Brasilia, where he will meet the most important Brazilian Government officials. He will then go to Sao Luis, Maranhao State; Serra dos Carajas, Para State; Recife, Pernambuco State; Salvador, Bahia State; and conclude his visit by visiting Sao Paulo and Rio de Janeiro. Soares will return to Lisbon on 3 April.

Foreign Ministry spokesman Ruy Nogueira reported on Mario Soares' visit to Brazil:

[Begin Nogueira recording] [passage omitted] The trip will reinforce the strong ties existing between Brazil and Portugal. No specific issues such as trade, will be discussed during the visit because it will be essentially a friendly visit in which special emphasis will be given to political issues. [end recording]

Itamaraty has also reported that the Brazilian Foreign Ministry is considering the possibility of receiving USSR Communist Party General Secretary Mikhail Gorbachev in August. At that time, the Soviet leader will be visiting Uruguay, Argentina, Mexico, Peru, Cuba and Nicaragua, and he may also pay an official visit to Brazil.

ARTICLE CONSIDERS ARMS DEALS WITH ISRAEL

PY070230 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Jan 87 p 6a

[By Roberto Lopez]

[Text] The Brazilian Armed Forces have been secretly buying arms from Israel for the last 5 years, despite a political assessment made by Itamaraty, and stressed under the "New Republic," that such business could be fatal for the good trade relations between Brazil and the Arab countries. The last purchase of military equipment from Israel was made just 3 months ago.

The total volume of those transactions is kept secret. FOLHA has learned that the deals are worth tens of millions of dollars. This, however, is not even one-fifth the amount involved in arms sales by Israel to Argentina during the same period, which totaled nearly $600 million.

The Navy benefited most from these purchases During the administration of Minister Alfredo Karam (from March 1984 to March 1985) 8,000 helmets made of a special steel manufactured by the Israeli firm Orlite Engineering Co Ltd were bought for the Navy Marine Corps. The marines also received night-warfare equipment (binoculars and telescopic sights), communications equipment, and bulletproof jackets.

Israel Aeronautics Industry (IAI) and Israel Military Industry (IMI) (the two main Israeli military industrial complexes) decided to increase their lobbying in Brazil this month after failing, for political reasons, to submit the winning bid to provide antitank missiles for the Army late last year. This was reported by the press (an exclusive report published by FOLHA).

The Israelis are currently submitting bids on two projects: the first is to supply the Army with a surface-to-air-missile (against low-flying targets); and the second is to provide a 30-mm cannon for the AMX fighter-bomber. This airplane was developed by EMBRAER [Brazilian Aeronautics Company], and Aermacchi SpA and Aeritalia [Societa Aerospaziale Italiana], both of Italy.

The IAI also offered to refit the U.S.-made F-5e "Tiger" fighters, and the French-made Mirages manufactured by Marcel Dassault-Breguet Aviation, which are used by the main squadrons of the FAB [Brazilian Air Force]. Israel also wants to sell antiterrorist combat equipment to the Army. This equipment has already been tested by troops of the Special Forces Batallion of the Airborne Brigade headquartered in Rio de Janeiro.

The magazine MANCHETE covered the exercises held last October, which served to publicize the activities of the brigade. The color photographs of the report, published in Issue No 1,802 on 1 November 1986, covering 10 pages (40 to 49), showed Army soldiers driving tanks with teargas sprayers, holding pistols fitted with night-vision sights, and wearing gas masks, bulletproof jackets, and helmets manufactured in Israel. However, the report makes it appear that the equipment was manufactured in Brazil. The Army kept its true origin secret.

The concern of the Brazilian officers with keeping secret their negotiations with Israel did not stop the FAB from testing a radar made with Israeli technology mounted on the "nose" of the AMX fighter-bomber. The device, manufactured by the Italian FIAR [Fabbrica Italiana Apparecchia Radioelettriche SpA] is used to measure the distance between the Italo-Brazilian fighter and its target. It was designed by the firm ELTA (Elta Electronics Industries Ltd.], a subsidiary of IAI.

Within the government, the main opposition to the arms purchase from Israel comes from the Foreign Ministry secretary general, Ambassador Paulo Tarso Flecha de Lima, who formerly headed the Department of Trade Promotion of the Foreign Ministry. The ambassador and his friend, Jose Luis Whitaker, president of ENGESA [Specialized Engineers, Inc.], the second largest arms exporter of Brazil (the first one is AVIBRAS) have decided to oppose the penetration of Israel into Brazilian military matters.

The president of ENGESA argues that the mere news of Brazil buying arms from Israel would be enough to affect sales of national military equipment to the Arabs, especially to Iraq, which recently financed the development of the Astros 2 rocket system (used for artillery saturation fire) for AVIBRAS. ENGESA is currently preparing to submit its "Osorio" heavy tank to the so-called "summer test" of the Saudi Arabian Army; and 800-km run through the desert. ENGESA expects this to be the final test leading to the approval of the tank by the Saudi Arabians. The development of the "Osorio" tank was relatively cheap, but the tests in Saudi Arabia have already lasted 2 years and ENGESA has not gotten a single order for this tank yet.

Late last year, the Army Science and Technology Secretariat proposed the Israeli Mapats antitank missile as the most suitable for Brazil's armored troops. The Mapats has a range of 4,500 meters and a sophisticated laser guidance system. The Israelis joined a consortium headquartered in Rio de Janeiro and headed by Montreal in order to manufacture this weapon in Brazil. Montreal is a manufacturing firm with General Carlos de Meira Mattos (on reserve status) on its board of directors.

Gen Meira Mattos was aware of the technical opinion of the Army and the political difficulties that such a consortium would face, so he got in touch with the Land Forces General Headquarters in Brasilia. All in vain. The Army General Staff requested the opinion of Itamaraty on the matter, and was advised against the deal by Ambassador Flecha de Lima. The Army then decided to select the Italian-made MAF missile, which was proposed by ENGESA during the bidding.

The veto of the Israeli missile for political reasons will mean additional expenses of $1.5 million for the Army, just to manufacture the prototype of the MAF missile. Last September, the cost of the Italian missile was estimated at $13.5 million, while the development of the Mapats would have cost $12 million.

GROS APPOINTED NEW CENTRAL BANK PRESIDENT

PY110056 Brasilia Domestic Service in Portuguese 2100 GMT 10 Feb 87

[Text] The Central Bank has a new president. BNDES [National Social Economic Development Bank] Chairman Francisco Gros today was appointed president of the Central Bank. He replaces Fernao Bracher, who resigned.

Francisco Gros has 20 years experience in private banking. He participated in the establishment of the Real Estate Commission. In addition to the BNDES chairmanship, Gros also headed BANDESPA [Sao Paulo State Bank Inc.].

Regarding Bracher's resignation, Finance Minister Dilson Funaro this afternoon said: He tendered his resignation, and I accepted it.

MEAT PRICE FREEZE TO END; PRICE DROPS EXPECTED

PY110105 Brasilia Domestic Service in Portuguese 2100 GMT 10 Feb 87

[Text] The freeze on meat prices will end, but according to Agriculture Minister Iris Rezende, prices will still be controlled. He explained that the government is not willing to give up control of meat prices and that if there is a price increase, the government will have to freeze meat prices again.

It is estimated that as a result of the end of the freeze, meat prices will fall by at least 30 percent, which is the surcharge that speculators are charging. Therefore, prime cuts will cost from 50 to 60 cruzados per kilo.

MDP, IC WANT PINOCHET TO TESTIFY ON LETELIER

PY102356 Madrid EFE in Spanish 0436 GMT 10 Feb 87

[Excerpts] Santiago, 9 Feb (EFE) -- The Christian Left (IC) and the People's Democratic Movement (MDP), a Marxist coalition made up of Communists, MIR [Movement of the Revolutionary Left] members, and "hard line" Socialists, today asked that the "Letelier case" be reopened and that Chilean President Augusto Pinochet be summoned to court. [passage omitted]

During a joint press conference, IC and MDP leaders said that "Pinochet cannot evade his responsibility." The leaders recalled that Fernandez Larios, a former Chilean Army officer, has publicly accused the president, and that this accusation "has been heard by a court in a country that is neither Marxist nor anticapitalist." They added that the confession by Fernandez Larios "involves an accusation against the entire regime, against the state, its branches, and its foundations." It is therefore necessary "to pass judgment on the entire regime," they stressed.

The leaders asked Pope John Paul II, who will visit Chile 1-6 April, to "categorically condemn a regime that is based on violence, terror, and deception."

For its part, the "moderate" Ricardo Nunez-led Socialist Party has released a statement saying that "the Chilean Army has the duty to clarify the responsibility of its commanders in this terrorist assassination, because it involves the reponsibility of the Armed Forces."

The statement adds: "General Pinochet cannot disregard his duty of clarifying to the nation how much he, as Army commander in chief, knew about the actions by Fernandez Larios and other officers involved in the case."

Former Foreign Minister Gabriel Valdes, president of the Christian Democratic Party, has said that in his confession, the former DINA [National Intelligence Center] agent made "several references" to the responsibility that the Chilean president seems to have in the case. Valdes said that Pinochet "must clarify his own responsibility and that of his subordinates."

PINOCHET CALLS FERNANDEZ LARIOS 'DESERTER'

PY101827 Santiago Domestic Service in Spanish 1600 GMT 10 Feb 87

[Relay from a mobile unit]

[Text] A few moments ago President Pinochet said that Major Armando Fernandez Larios, who left for the United States without the authorization of the Army, is a deserter. Pinochet made this statement here in Llolleo during a brief conversation with the press. This is what he said: [Begin recording] I have the information that this man left [passage indistinct]. [end recording] Pinochet added that it remains to be seen what action the Army will take against Fernandez Larios. Pinochet came here to Llolleo to learn about the food and recreation program for poor children of this area.

RADIO CARACOL ATTACKED; TECHNICIAN INJURED

PY101354 Madrid EFE in Spanish 0211 GMT 10 Feb 87

[Text] Santiago, 9 Feb (EFE) -- Three unidentified individuals assaulted the offices of Radio Caracol of Concepcion, 500 km south of Santiago, causing material damage and injuring a technician.

According to information received in Santiago, the attack occurred just before midnight when unidentified individuals broke the main door and beat up the radio operator, Alejandro Cid, who was slightly injured.

According to the government press agency ORBE, the attack on Radio Caracol may have political connotations, because the station has identified itself with the National Vanguard Movement.

The National Vanguard Movement is believed to be an extreme right group closely linked to the Chilean military regime.

ALMEYDA DEFENDS COMMUNIST PARTY ARMED BRANCH

PY101805 Santiago EL MERCURIO in Spanish 27 Jan 87 p C3

[Text] Speaking to a Santiago weekly in Buenos Aires, the secretary general of the Socialist Party (MDP) [Popular Democratic Movement], Clodomiro Almeyda, said that "the Communist Party and the other leftist forces believe that a political and not a military victory is the correct formula to put an end to the regime."

In an interview granted to the magazine APSI, Almeyda defended the military line that the Communist Party disclosed in a recent clandestine press conference, which included "the actions taken by the masses to defend themselves," the "internal military forces capable of hitting the enemy," and the work "to influence the Armed Forces." Almeyda added that this is part of the political struggle of "any political party which calls itself revolutionary," and participates "in any process of political change."

He criticized the "shortsightedness" of some political sectors which consider "a basic element, like the military factor in a process of change, as the center of an artificial debate."

Regarding the unity of socialism, Almeyda said it can take place only within the framework of a process of unity of the leftist parties. He concluded by lashing out at Ricardo Nunez' socialist sector for refusing to participate in the next leftist conclave, and for "reaffirming that the center-right constitutes the hub of its alliances."

ARMED FORCES RECEIVE ISRAELI ARMS SHIPMENT

PA110320 Paris AFP in Spanish 0158 GMT 11 Feb 87

[Text] Cartagena, Colombia, 10 Feb (AFP) -- A shipment of 200 tons of Israeli weapons for the Colombian Armed Forces arrived at this Caribbean port a few hours ago.

Military spokesman who asked to remain unidentified told Radio Cadena CARACOL that the shipment consists of machineguns, automatic Galil rifles, grenades, rocket launchers, and ammunition.

The source added that the shipment, unloaded at the naval base under strict security measures, is already being distributed among the various units of the Colombian Army, Navy, Air Force, and police throughout the country.

DYNAMITE ATTACKS RUPTURE OIL, GAS PIPELINES

PA091923 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 9 Feb 87

[Text] The Cano Limon Covenas oil pipeline has again been dynamited, at km 29 near Arauquita. The valves of the pipeline were blasted and a substantial amount of oil was lost.

In addition, the gas pipeline that leads to the refinery in Barrancabermeja was dynamited in (Payao), Santander Department.

LEHDER SAYS DEATHS LINKED TO EXTRADITION TREATY

PA101348 Bogota Emisoras Caracol Network in Spanish 1215 GMT 10 Feb 87

[Text] Bogota -- Carlos Lehder has admitted to military authorities that the killing of Justice Minister Rodrigo Lara and of other important Colombians, including Guillermo Cano -- director of EL ESPECTADOR -- were ordered by drug-trafficking bosses as a result of the signing of the extradition treaty between Colombia and the United States.

Lehder made this confession to several Army and National Police officers who interrogated him for approxomately 90 minutes following his arrest near Medellin this past Wednesday.

Lehder, who hours after his arrest was extradited to the United States, accused Jacobo Arenas, ideologist of FARC, of being the largest Colombian drug-trafficker, of having stolen 10,000 kg of cocaine from the Mafia, and of personally receiving in cash the commission that FARC has established for the protection of coca plantation in the jungle.

During the recorded interrogation session, Carlos Lehder said that his unexpected arrest in (Guarne) was due to the work of an informer.

TV SHOWS STROESSNER RECEIVING FOREIGN GUESTS

PY110133 [Editorial Report] Asuncion Red Privada de Television in Spanish on 10 February during its regular 2300 GMT newscast, Noticiero 13, Segunda Edicion, carried a clip showing Paraguayan President Alfredo Stroessner meeting in his office at Government House on 10 February with (Firas) al-Asad, son of Syrian Vice President Rif'at al-Asad; and with citrus fruit industrialist Victorio Serri. President Stroessner is shown in a medium shot sitting behind his desk and standing as he welcomes his guests.

FURTHER ON TEARGASSING OF U.S. ENVOY'S GATHERING

EL DIARIO Reports Incident

PY101146 Asuncion EL DIARIO in Spanish 10 Feb 87 p 8

[Text] Police last night thwarted a fraternal gathering for U.S. Ambassador Clyde Taylor. The gathering was to take place at a residence in the Santisima Trinidad neighborhood.

Despite the secrecy prevailing among police authorities, who have refused to provide any information on the incident, it appears that the breakup occurred because there was no police permit for the gathering.

Tear gas was used during the operation to break up the crowd that had gathered on one of the street corners close to the residence because the people were unable to cross the police cordon. Later, teargas grenades were hurled at the people who had managed to get inside the residence. The teargas bombs were hurled while Ambassador Taylor and a small entourage, including the ambassador's political adviser John Martin, were still inside the residence.

Although only 300 people had confirmed that they would attend the dinner, neighbors told us that at least 500 people gathered 1 block away and began singing "Beloved Fatherland," which finally prompted the police to take action. The gathering, which initially was scheduled for 2000 local time, lasted, because of the incidents, until 2230, when the police cordon was finally lifted. Only two police guards remained at the residence last night.

Radical Liberal Party Deputies Luis Alberto Kallsen and Nestor Moragas came to this newspaper last night to denounce before the people that they were prevented from reaching the residence where the dinner was to be held. "We have come to denounce the violation of constitutional and human rights and of our status as deputies of the nation. Rather than respecting our status, the police stopped us," the lawmakers said. Kallsen and Moragas stated: "Businessmen; the president of the Authentic Radical Liberal Party; the president of the Christian Democratic Party; Senator Colonel Alcibiades Irrazabal, retired; wives of the opposition politicians, including Ms Patricia Saguier; and other personalities were present at the gathering. Even so the people [not further identified] were prevented from getting into the residence."

Eyewitness Provides Details

PY101426 Asuncion Radio Charitas in Spanish 1150 GMT 10 Feb 87

[Text] Mrs Susy Romero de Puente is one of the ladies who made the arrangements for the dinner given last night for U.S. Ambassador Clyde Donald Taylor.

She was interviewed this morning by Guillermo Yaluk to obtain her version of what happened.

[Begin recording] [Mrs Romero de Puente] At about 1800, the police set up a cordon, and a police delegate from Trinidad named Topoletti came to the house and told us that on orders from above we could not hold the dinner. We told him we had verbal permission from the police, but he reiterated that this was an order from his superiors. This is what he told us; he said that the dinner could not take place, that the police cordon was to be maintained on the street. We were practically besieged. Many of the things we had ordered for the dinner could not be delivered.

At 1930, two members of the U.S. Embassy arrived prior to the arrival of the U.S. ambassador. They were informed of what was happening and called the embassy. The ambassador said that he was going to attend the dinner. The ambassador arrived at about 2030, but only a few people who had been invited were present, those of us who had managed to get to the house early. Some of us arrived at 1000 in the morning, others at 1300. Only Colonel Irrazabal, who is a senator, was allowed to come to the house, perhaps because of his car's license plate and his rank. There were other senators and deputies who were not allowed to come to the house, despite their cars' legislative branch license plates and their positions as congressmen. A lady member of the Argentine mission, and U.S. diplomats were the other people who were allowed to pass through the police cordon and enter the house.

[Yaluk] At what time was the police cordon set up around the house, thereby banning access to it?

[Mrs Romero de Puente] At 1800 all the corners permitting access to the house were blocked, and nobody could reach it.

[Yaluk] Was the ceremony held?

[Mrs Romero de Puente] With just a very few people in attendance. Only 30 or 40 people were present, and the lady member of the Argentine Embassy and the members of the U.S. Embassy, as I said before. We went on with the ceremony but were somewhat sad because, as far as we were concerned, it was just a demonstration of fellowship, a social gthering we had offered to a diplomatic representative of the United States, a country which both the Paraguayan people and the government -- or so it says -- consider a leader of the Western world. However, we were quite surprised that we were not allowed to enter the representative of the United States. This, to me as a Paraguayan, is disappointing, it irritates me. I don't know, we were sad because we would have liked this to have turned out differently.

[Yaluk] Some people made the comment to us on the street that the most difficult moment came when one of the teargas grenades landed on one of the dinner tables inside the house.

[Mrs Romero de Puente] In the house we could hear the songs that were being sung on the corner, "Dear Fatherland," and chantings like "Taylor, Heart." At that time we heard the three teargas bombs being fired, and the gas wafted into the house. We went inside, closed the house, and the gas did not bother us too much. Then I read the litle speech I had prepared and the U.S. ambassador replied with a short speech he had prepared -- the text of which I have just given you.

Then we went outside again; we were talking casually, and it seemed that the people on the street had left. We had quite a surprise when a teargas bomb landed on a table. The gas spread all over the house and the garden, creating an asphixiating atmosphere. The U.S. ambassador, his retinue, and everybody else suffered the effects of the tear gas. [end recording]

Taylor Responds

PY102156 Asuncion LA TARDE in Spanish 10 Feb 87 p 9

[Text] As he was leaving the house of the Sosa Ugarte family in Trinidad, U.S. Ambassador Clyde Taylor last night said: "Scoundrels [sinverguenzas], they threw tear-gas cannisters into the backyard of the house."

Taylor left the house through the backyard after two vehicles with security guards arrived. The guards, about four per vehicle, were probably U.S. Marines. They were dressed in khaki uniforms.

Some 50 policemen were standing at the corner when Ambassador Taylor got out of his vehicle and walked toward Dr Miguel Angel Martinez Yaryes and a group of U.S. officials, and said in Spanish: "Those scoundrels threw teargas cannisters into the backyard." After saying this, he got back into his car and quickly left followed by his escort. This occurred at about 2130.

SI DELEGATION ARRIVES, WELCOMED BY OPPOSITION

PY061137 Asuncion HOY in Spanish 5 Feb 87 p 9

[Excerpts] A Socialist International [SI] delegation arrived in Asuncion yesterday in keeping with plans made at the last SI congress in Buenos Aires. The delegation members arrived at the Asuncion international airport in two groups. They were welcomed by PRF [Febrerista Revolutionary Party] leaders and by members of human rights organizations. [passage omitted]

The SI delegation is headed by Jose Francisco Pena Gomez, secretary general of Dominican Republic Revolutionary Party and SI vice president for Latin American and the Caribbean.

Members of the SI delegation are: Luis Ayala, a member of the Chilean Radical Party and SI assistant secretary general; Elena Flores, secretary for Latin American affairs of the Spanish Socialist Workers Party (PSOE) and PSOE deputy; Matilde Martinez Saenz, PSOE leader and executive secretary of the PSOE women's group; Maria Dolores Rodas, French Socialist Party secretary for Latin America; Marta Johanson, executive secretary of the Swedish Socialist Party international cooperation department; and Gerald Grundfeld, Israeli Labor Party leader.

Holds Meetings, Departs

PY110013 Asuncion EL DIARIO in Spanish 8 Feb 87 p 8

[Text] An SI delegation, which arrived in our country last Wednesday and met with several Paraguayan political and social groups, left Paraguay yesterday. The foreign leaders met with Supreme Court of Justice President Dr Luis Maria Argana and with Msgr Jorge Livieres Banks, the secretary general of the Paraguayan Episcopal Conference (CEP).

The SI delegation, headed by Dominican Francisco Pena Gomez who is vice president of the SI, visited our country following a special recommendation made during the last SI congress. The SI includes almost all the socialist parties of the world.

Pena Gomez pointed out that the SI delegation now has an accurate view of the true political situation in Paraguay. He described the meetings held with various sectors as very "interesting."

Pena Gomez said that the SI delegation will submit a report to the SI on the visit to our country, as it has with other countries.

According to PRF President Dr Fernando Vera, who acted as host for the visitors, the foreign delegation had no problems leaving our country.

CATHOLIC RADIO STATION ANNOUNCES NEW PROGRAMMING

PY110038 Asuncion ULTIMA HORA in Spanish 9 Feb 87 p 13

[Text] "We are taking the letter 'h' out of Charitas, because it is silent; we have a lot to say," says one of the slogans used to promote a new phase of the traditional half-century-old Catholic radio station. The new phase began today.

According to the people who run Radio Charitas the radio station, which is managed by an editorial staff that includes the Christian Businessmen's Association (ADEC), will make an effort to offer reports, opinions, interviews, and music, as befits a modern radio station.

The radio station's administrative manager is Carlos Talavera, and its new manager is Ernesto Garcia.

Victor Benitez, Dario Elias, Amado Farina, Oscar Acosta, and Jorge Ramos have joined the team of professionals at the radio station, where Guillermo Yaluk has been working for some years now. The team will work mornings, afternoons, and nights, transmitting four long newscasts and several news briefs.

"Our intention is not to oppose anyone but rather to defend the truth with a positive approach and to promote talks among all segments of our society," said one of the individuals responsible for this effort.

BRIEFS

ISRAELI AMBASSADOR PRESENTS CREDENTIALS -- Israeli Ambassador to Paraguay Jacov Bracha this morning presented his credentials to Paraguayan President General Alfredo Stroessner. [Summary] [Asuncion ULTIMA HORA in Spanish 27 Jan 87 p 12 PY]

GOVERNMENT CALLS AI REPORT 'FALSE, BIASED'

PY101832 Madrid EFE in Spanish 0020 GMT 10 Feb 87

[Excerpt] Lima, 9 Feb (EFE) -- Peruvian Government spokesmen today expressed their "surprise" at the contents of the Amnesty International [AI] report that accuses the Peruvian Administration of hiding the fact that security forces have tortured and murdered prisoners charged with terrorism. They added that the report was "false" and "biased."

Senator Luis Alberto Sanchez, who is also the Peruvian vice president, said that AI can "report whatever it likes," even though not all of it is true. Justice Minister Carlos Blancas said that he was surprised at the fact that the AI report on violation of human rights in Peru and on the supression of riots at the Lima jails in 1986 was released to the media before being sent to the Peruvian Government. The AI report was released in London on 8 February, and was embargoed until 9 February.

Carlos Blancas said this attitude "required clarification," because the AI usually sends its reports to the governments involved before releasing them to the media. The minister said that the AI attitude was "unusual," and that it is "remarkable" that the media got hold of such a report before the Peruvian Government could read it.

Andres Quintana, ruling American Popular Revolutionary Alliance senator and Senate president, said that the AI report is based on "superficial and false" data. Quintana added that he was present at the El Fronton Prison when the peace commission urged the prisoners to give up their ideas of rebellion, and that the prisoners "entirely rejected" the possibility of holding a dialogue and drove back the Navy representatives. Remembering the Navy operation at El Fronton, Quintana said that "it is not true that Navy personnel shot at the prisoners charged with terrorism. What really happened is that, when the 'Blue Pavillion' was blown up, most of the prisoners were buried in the tunnels which they, themselves, had dug." [passage omitted]

INMATES RIOT, HOLD HUNGER STRIKE IN LIMA

PY102251 Paris AFP in Spanish 1458 GMT 10 Feb 87

[Text] Lima, 10 Feb (AFP) -- Peruvian officials today reported that as a result of violent incidents in three penitentiaries in Lima, where inmates involved in drug trafficking yesterday started a hunger strike, one person was killed and several were injured.

The National Penitentiaries Institute [Instituto Nacional Penitenciario] has explained that Alberto Valencia Rodriguez, who was hit by shotgun pellets during the riot and fell from the 3d floor of the Lurigancho Penitentiary, where the most serious incidents occurred, was killed.

The hunger strike is also being observed in the Cantogrande and Santa Monica Penitentiaries. The latter is a penitentiary for women.

The drug traffickers resorted to force after the government announced the suspension of parole and early release for individuals sentenced for drug trafficking and kidnapping.

In Lurigancho, where more than 4,500 inmates are housed, officials said that they managed to control an explosive riot situation.

They also explained that the terrorist prisoners were not involved, and they are being held in special detention. The situation today is relatively calm.

In June 1986, a rebellion of terrorist prisoners in Lima was put down by troops, and 250 people were killed. Amnesty International has denounced the fact that these killings have still not been solved.

CURFEW IMPOSED IN FLOOD-DAMAGED REGIONS

PY091514 Paris AFP in Spanish 1829 GMT 8 Feb 87

[Text] Lima, 8 Feb (AFP) -- The Civil Defense today reported that officials of Villa Rica, in Pasco Department -- which was devasted by floods 8 days ago -- last night enforced a curfew to control looting. The population continues to live in darkness and without potable water. Ollantaytambo Engineerings Batallion units have taken complete control over the region to reestablish order and safeguard the security of properties by order of Julio Arias, deputy prefect of the Oxapampa Province, which administers Villa Rica. According to a communique released by the deputy prefect, unscrupulous individuals have been looting the area since 1 February when a huge slide of mud and rocks swept the industrialized section of the town. The unit [not further identified] in the town was too small to take control of the situation. In addition to the state of emergency declared by the government in the region of the Central Jungle, Oxampampa, Satipo, Chanchamayo and other areas, the curfew will be enforced from 2300 to 0600 (0500 to 1100 GMT). Units are authorized to use their weapons.

Mayor Hector Marin said that the survivors of Villa Rica, a town of about 7,000 inhabitants where over 100 died and an unknown number are still missing, are using rain water to prepare their food because the rivers are contaminated. The town is also in darkness because there is no electricity. Other services have also failed. After working all day in torrential rain, Army units yesterday were able to reopen the main road from Villa Rica to La Merced, 320 km to the east, which has allowed more aid to arrive. Local officials expressed their appreciation for the first international aid from Spain. They were also hopeful over the announcement made by EEC representative Clay Cheysson here last night that the EEC will provide immediate help, such as food, clothing, and medicine, and that it will cooperate in the rehabilitation of that region. However, some sectors badly affected by the disaster have said that the government aid of 10 million inties (about $500,000) is insignificant because a preliminary evaluation puts the damage at over $150 million. The mayor also indicated that in addition to Villa Rica -- the epicenter of the floods from the Oyon, Yesu and Entas Rivers -- Pozuzo, Huancabamba, Chontabamba, Puerto Bermudez and other towns are still isolated and have not received any aid.

The Civil Defense reported that there are new emergency situations in Tumbes, 1,310 km north of Lima bordering on Ecuador, where the Tumbes and Zamurilla Rivers have flooded 200 houses, 600 hectares of rice and bananas, and about 20 shops of the business sector of Huaquillas in Ecuador. Officials are concerned that the continuous heavy rainfall affecting the north which is increasing the flow of the rivers and the water level at the Poechos Dam in the Piura Department will cause catastrophic damage as it did in 1982 and 1983 when torrential rains flooded towns and rural areas in that zone. The rainfall in the Peruvian Andean region increased the flow of the Mantaro River, in Junin Department in the central area of the country, which has flooded Huaripampa, Muquiyauyo, Muqui and other small towns. Officials have also reported that the water covers large areas of agricultural land and that access roads to remote settlements are now impassable. A similar situation is also affecting the Departments of Huanuco, Apurimac, Ayacucho and Cusco.

LATE REPORT: GOVERNMENT COMMUNIQUE ON CUBAN REFUGEES

PY111336 Lima Panamericana Television Network in Spanish 0300 GMT 11 Feb 87

[Text] Cuba refutes a statement made by our Foreign Ministry. A communique issued by our Foreign Ministry on 5 February says: The Cuban Government has offered amnesty and guarantees to the citizens who have sought asylum in the Peruvian Embassy in Havana, to allow these people to reintegrate themselves into Cuban society, and to initiate the normal procedures to obtain the necessary permission for emigration.

However, in a communique issued yesterday by the Cuban Embassy in Lima, the Cuban ambassador refuted the 5 February communique from our Foreign Ministry. The ambassador said in the communique that the Cuban Government had at no time offered to grant the individuals amnesty or to facilitate their leaving the country.

The position assumed by the Cuban Government on the situation of those who sought asylum in the Peruvian Embassy in Havana has brought relations between the two countries to their lowest point since 1985, when the Fidel Castro regime attempted to mock the decision made by President Alan Garcia regarding the payment of the country's foreign debt, limiting it to 10 percent of export earnings.

In fact, the communique from the Castro government refutes the communique from our Foreign Ministry, denying that the Cuban Government is inclined to grant amensty to the Cubans who have sought asylum. The Peruvian Government now has the opportunity to define its position toward a dictatorial regime that disregards human rights. It can demand an explanation for an attitude that has not been provoked by the Peruvian Government, an attitude which results from the unacceptable arrogance of the Castro regime.

The Peruvian Foreign Ministry issued the following official communique tonight.

First. [number as heard] The Foreign Ministry finds strange the declaration made public by the Cuban Embassy on 9 Febraury, denying that in 1984 the Cuban Government offered amnesty and guarantees for the reintegration to Cuban society of the individuals who have sought asylum in the annex to the Peruvian Embassy in Havana, and expresses its disapproval of that denial. On that occasion, 12 Cuban citizens took advantage of their government's offer.

The Foreign Ministry reiterates the Peruvian Government's purpose of seeking, jointly with the Cuban Government, a satisfatory solution to the situation of the three individuals who remain under the protection of the Peruvian Embassy in Havana.

Lima, 10 February 1987

[Signed] General Directorate of Information and Publication, Ministry of Foreign Relations

FERREIRA ALDUNATE DISCUSSES PARTY PLATFORM

PY101210 Montevideo Radio Carve in Spanish 0930 GMT 9 Feb 87

[Excerpts] The Movement for the Fatherland [a faction of the National, or Blanco, Party led by Wilson Ferreira Aldunate] Congress has decided by an overwhelming majority not to support the plebiscite on human rights.

Ferreira Aldunate pointed out that currently the big issue for Blanco supporters is to prepare the electoral campaign and the platform to be proposed to the citizenry in the upcoming elections.

This report is further expanded by Tomas (Tremas).

[Tremas] Thank you. Good morning. The Movement for the Fatherland Congress ended last night shortly after 2315. The congress spent virtually all Sunday deliberating at the Platense Patin Club facilities. More than 700 delegates from all over the country, who were elected in the internal elections of the Movement for the Fatherland on 30 November 1986, particpated in the congress.

Following long deliberations and a political report by Dr Alberto Zumaran, the congress carefully and eagerly listened to Wilson Ferreira Aldunate's words. [passage omitted] In his speech, Wilson Ferreira Aldunate outlined some of the concepts discussed by the National Party executive board.

Ferreira Aldunate said that the Broad Front did not vote for the first bill introduced by the Blanco Party that sought the indictment of the main culprits of human rights violations because of the Communist Party, which runs the Broad Front.

Ferreira Aldunate also said that the Blancos are more concerned over the institutions than over other parties. Ferreira said that the Colorado Party has survived the dictatorship without traumas and that this government governs with the same personnel that served the dictatorship.

Ferreira Aldunate also said that President Sanguinetti could have solved the human rights problem during his first 6 months in office when he was more powerful, but failed to do so. He said that he told Sanguinetti on many occasions to solve the human rights problem during those first 6 months, but Sanguinetti failed to do so.

Ferreira Aldunate pointed out that if there is anyone within the Movement for the Fatherland who supports the impunity, that person should be kicked out.

Wilson Ferreira Aldunate, the National Party leader, claimed for himself the reponsibility for the approval of the full stop law. Had I not placed so much emphasis that law would not have been approved, Ferreira Aldunate said.

The National Party did everything possible to have truth and justice prevail but no solution could be achieved because the Broad Front and the Colorados prevented it, Ferreira said, the National Party's global and total unity is now sought.

Ferreira Aldunate said that not a single offense, not a single challenge will be made by the Movement for the Fatherland against the Rocha Movement [a faction of the National Party led by Carlos Julio Pereyra]. One fights an opponent and a Blanco does not have opponents within his own party, Ferreira said, this is why we want unity and respect within the National Party.

In the last part of his speech, Ferreira Aldunate addressed the plebiscite on the human rights issue. Ferreira said that this issue must be overcome. The country must now seek other solutions and other issues.

Ferreira Aldunate said that the National Party must now start work on the electoral campaign and prepare the platform to be proposed to the citizenry in 1989. We, the Blancos, must conduct a more complete and longer campaign because we do not have the mass media available to us and all our efforts to change the country must be aimed at seeking to take power in 1989.

Ferreira said that concerning the plebiscite, 1 year may be spent collecting signatures, and the plebiscite would be held when Uruguay was very near to the electoral campaign.

The country is now collapsing, Ferreira Aldunate said. The old (story of the 1950's) is being resuscitated and there may be corruption. Social harmony is deteriorating, there is no work for the youth, and every year fewer houses are being built.

The National Party is the only one with imagination that can change the country.

The plebiscite will lead us nowhere, Ferreira said. Things are irreversible.

Ferreira Aldunate concluded his speech by stating that if someone tells him that by voting for the plebiscite, a military man, a soldier, or a policeman will present himself to testify before the civilian courts for 1/2 hour he would vote for the plebiscite. [passage omitted]

FOREIGN DEBT AGREEMENT REACHED WITH SPAIN

PA090228 Mexico City EL DIA in Spanish 5 Feb 87 p 8-a

[Text] Protectionism by industrialized countries "is one of the worst misfortunes of the world economy," Spanish Trade Minister Miguel Fernandez Ordonez [name and title as published] has said. He affirmed that this policy severely affects the economies of both the rich and the needy nations.

Returning to Madrid, the Spanish official harshly criticized protectionist barriers, stating that the entrance of nations into the GATT and the EEC makes it possible to reduce the negative effects of the mentioned measures.

The Spanish official noted that protectionist measures between Mexico and Spain have been greatly reduced. This has made the entry of products easier, thus promoting bilateral trade.

He added that future trade between the two countries depends on the analysis of some factors such as the active participation of Spain in the sale of ferries and planes, to renew PEMEX' fleet.

Fernandez Ordonez announced that an agreement had been reached with President de la Madrid's government to purchase Mexico's foreign debt with the use of Spanish investments.

He said that this process was proposed by Mexican authorities, noting that Spain's excellent economic position will permit the arrival of new capital in the country.

He also said that this measure will be explained by officials from the federal government at different forums that will be held in Spain.

EDITORIAL COMMENTS ON U.S. OFFICIAL'S REMARKS

FL091958 Mexico City NOTIMEX in Spanish 1730 GMT 9 Feb 87

["Editorial" by Eugenio Lopez Arteaga]

[Text] Mexico City, 9 Feb (NOTIMEX) -- Reluctantly, almost grudgingly, Mexico and the United States continue to establish commercial ties and to strengthen already existing ones even when, in the political area, they maintain their traditional positions, which seldom coincide and almost always clash with each other, especially on international issues.

The visit to our country of Bruce Smart, U.S. under secretary for international trade, in some measure reflects this not altogether cordial atmosphere that is usually generated by these bilateral negotiations which, if effected in a more amiable spirit, could be more productive.

Speaking to the members of the Mexican Chamber of Commerce, Mr Smart (which in Spanish means bright, quick-witted, ingenious) coolly admitted that his government had reduced the preferential tariffs that grant tax exemptions on Mexican exports to the United States, because of the dissatisfaction caused over there by the reforms to the law on patents and trademarks which, in their view, does not guarantee the intellectual rights to products manufactured by U.S. companies.

He also said that if he were the one to make the decisions in Mexico, he would remove the limitations to foreign investment and would pass a law respecting intellectual rights. In regard to foreign capital, he said that in his opinion more liberal investment regulations did not mean that the Yankees were going to invade Mexico or buy up the country.

As can be seen, Mr Smart is not so smart. One of the declared reasons for his trip to Mexico is to try to intensify trade relations between his country and ours. You would suppose that he is above all an ambassador of good will, which he was far from being when he spoke to Mexican and American businessmen here. In addition to his rude impertinence, the American official announced that a Mexico-U.S. commercial agreement could come into effect in August to set out the rules of the game for trade between the two nations and would include sections covering foreign investment and intellectual property, and also serve as the basis for permanent and systematic negotiation.

Representatives from both sides have been working on this agreement for a long time and it is important because so far it lacks the adequate mechanisms for a discussion of commercial and economic issues affecting the two countries which, it is supposed, will benefit from clear and intelligible regulations.

Smart stated that the agreement, which was reached in principle last year by Presidents Reagan and De la Madrid, will help increase the flow of U.S. investment and will facilitate the entry of around 200 Mexican products into the American market.

Speaking of assembly plants, Smart declared that they could be the starting point for future commerce. In this connection, it could be said that Mr Smart is right. It is hoped that the commercial agreement he spoke about will be equitable in its regulation of this binational industrial development.

As everybody knows, the 1,100 assembly plants established in Mexico employ 250,000 people and bring in an income of $1.4 million [as received] a year. They have surpassed tourism as a source of foreign exchange in our country and they have in turn been only surpassed by the oil industry. So, it is not an activity without importance.

A Mexican-U.S. trade agreement would serve both countries very well. Although they do not always see eye-to-eye, their proximity inevitably demands that they have permanent dealings. This agreement agrees with both sides.

BRIEFS

NON-OIL COMMERCIAL DEFICIT -- Alfredo Phillips Olmedo, general director of the National Foreign Trade Bank, BANCOMEXT, said yesterday that the deficit in the non-oil commercial balance was reduced 81 percent during 1986. The deficit stood at only $946 million, down from $5 billion in 1985. He also said that non-oil sales represented 65 percent of the country's export revenues last year. [Summary] [Mexico City EL DIA in Spanish 5 Feb 87 p 8 PA]

USSR SUPREME SOVIET INVITES LEGISLATORS TO VISIT

PA110036 Panama City LA REPUBLICA in Spanish 9 Feb 87 p 9

[Letter from Yuriy I. Pavlov, Soviet ambassador to Costa Rica, to Legislator Ovidio Diaz V., president of the Panamanian Legislative Assembly, dated 19 January 1987]

[Text] San Jose, 19 January 1987

Your Excellency, Mr President of the Legislative Assembly:

I have the honor of addressing Your Excellency to advise you that the USSR Supreme Soviet hereby invites a nine-person Panamanian parliamentary delegation to visit the Soviet Union in February of this year for up to 7 days.

We request that you let us know who will comprise the delegation, exact dates the delegation will be staying in the USSR, and their interests for the program of their visit.

I take this opportunity to express my heartfelt and most distinguished consideration.

[Signed] Yuriy I. Pavlov,
Ambassador of the USSR

To His Excellency Ovidio Diaz,
President of the Legislative Assembly of the Republic of Panama

BRIEFS

COCAINE SEIZED ON SHIP -- Some 40 kg of pure cocaine valued at $4 million of the international market were found in 99 palmetto cans that arrived from Asuncion, Paraguay. The "(Nateland Lynch)," currently docked in the port of Cristobal, Colon Province, was to deliver its load to Nicle, Inc., a reexporting company. Inspector Lucinio Miranda, general director of the DENI [National Department of Investigation], said in a news conference, after the ship was searched by Panama Defense Forces antinarcotic units, that in one of the storage rooms of the ship were 120 boxes of palmetto that were to be unloaded in Panama. The antinarcotics agents found irregular markings on the boxes and cans. No arrests have been made yet. Meanwhile, the investigations continue. [Text] [Panama City Televisora Nacional in Spanish 0000 GMT 30 Jan 87 PA]

COSTA RICA

PRESIDENT ARIAS TO VISIT MEXICO 25-27 FEBRUARY

PA101639 San Jose Radio Reloj in Spanish 1200 GMT 10 Feb 87

[Text] The Costa Rican Foreign Ministry officially announced in San Jose yesterday at 1800 that President Oscar Arias Sanchez will visit Mexico. An official communique states that Mexican President Miguel de la Madrid Hurtado has invited President Arias to visit Mexico on 25, 26,and 27 February. The Mexican and the Costa Rican Foreign Ministries have coordinated all the details regarding President Arias' visit, which is in the framework of the traditional spirit of friendship and cooperation that has characterized the relations between Costa Rica and Mexico.

President Arias' visit to Mexico in the last week of this month is a confirmation of the democratic ideals on which the relations between the two countries are based.

During his 3-day visit the Costa Rican president will hold several work meetings with President Miguel de la Madrid. Besides the Central American situation, they will also review topics of bilateral interests such as trade, economic assistance, and technical cooperation.

ARIAS, RIVERA REACT TO NICARAGUAN COMMUNIQUE

PA102304 San Jose LA PRENSA LIBRE in Spanish 4 Feb 87 p 2

[Text] While President Oscar Arias has not ruled out the possibility of inviting Nicaraguan President Daniel Ortega to upcoming presidential meetings in case a peace formula for Central America is found during the 15 February meeting, acting Foreign Minister Carlos Rivera Bianchini said that the government is studying the possibility of not sending an ambassador to the neighboring country.

This possibility comes in the wake of the communique issued by the Sandinist government through its ambassador in our country. The communique will be analyzed to weigh the implications of the language used. The language was described by the acting foreign minister as "rude and loud."

He pointed out yesterday that although the appointment of Dr Farid Ayales Esna as Costa Rican ambassador to Nicaragua has not yet been approved, we will analyze the official statement issued by the Sandinist government.

Rivera Bianchini said: "The Nicaraguans are enraged over the meeting of heads of state that will take place on 15 February, and Costa Rica cannot figure out why."

Meanwhile, President Arias said that an invitation to President Daniel Ortega will depend on the decision of the heads of state meeting in Costa Rica.

However, Arias pointed out that in deference to his counterparts of Honduras, El Salvador, and Guatemala, he will wait for a decision on how to convey his viewpoint to Daniel Ortega and the Sandinist government and the forces fighting against the government.

As for a communique issued by the Sandinist government describing Guatemala, Honduras, El Salvador, and Costa Rica as traitors and neocolonies of the United States for participating in a joint meeting on 15 February, Arias said that he prefers not to comment, because "I do not understand why they are making a judgment without even knowing what our proposal will be."

Arias Sanchez said that Costa Rica is only moved by good intentions and a desire to establish bridges to bring about a dialogue between the sides involved in the conflict in Nicaragua.

"I do not believe they said that, because the Nicaraguans have always agreed to seek a peaceful solution and we are now giving them an opportunity to do so; this opportunity will be viable to the extent that they can reach an agreement." Arias said.

President Arias and acting Foreign Minister Rivera Bianchini met in the evening at the Presidential House to make preparations for Arias' trip to Mexico on 26 February [as heard] and to discuss the final details of the 15 February presidential meeting and the peace proposal that Costa Rica will present to the Central American heads of state.

ARIAS VOICES SUPPORT FOR C.A. PARLIAMENT

PA101926 San Jose LA REPUBLICA in Spanish 5 Feb 87 p 4

[Text] During the 24-hour visit by Guatemalan Vice President Roberto Carpio Nicolle, Costa Rica gave its unconditional support to the creation of the Central American parliament.

Guatemala is spearheading the creation of the regional parliament. Vice President Carpio Nicolle came to San Jose to revitalize the idea to create this organization of the five countries of the region.

Carpio Nicolle arrived at 1000. Costa Rican First Vice President Jorge Manuel Dengo welcomed him.

The Costa Rican and Guatemalan commissions studying technical matters regarding the creation of this sort of organization met.

Vice President Carpio Nicolle visited the Carrato free zone and met with Costa Rican President Oscar Arias Sanchez at 1800 at the presidential office.

Carpio Nicolle is leaving today for Managua, Nicaragua.

Vice President Dengo and Presidency Minister Rodrigo Arias Sanchez also attended the meeting with Carpio Nicolle. Afterwards, President Arias made some emphatic remarks about the parliament: "We give our unconditional support for the creation of this parliament. It is time Central Americans have a forum such as that one."

Arias Sanchez stated that despite Nicaragua's suit against Costa Rica at the International Court of Justice [ICJ] at The Hague, Costa Rica will continue with the talks to create the parliament.

(Honduras said that it will not participate as long as Nicaragua maintains the suit against it.)

Arias Sanchez explained that he had reviewed certain aspects of the "Central American situation" with Carpio Nicolle.

In addition, Arias Sanchez informed him about "general aspects of the Costa Rican peace proposal that is to be analyzed during the area presidents' meeting in San Jose on 15 February. [no close quotation mark as published] (The topics include a cease-fire, dialogue between the Nicaraguan regime and the anti-Sandinist leaders, free elections, and ending U.S. aid to the counterrevolutionaries.)

"If the parliament becomes a reality, Costa Rica will be there," Arias Sanchez added.

Guatemalan Vice President Carpio Nicolle was very cautious when referring to Nicaragua. When asked if he thinks that country is a democracy, he did not reply.

He did not want to talk about "Nicaragua's democratization" either.

Last night, Carpio Nicolle was very enthusiastic when speaking to newsmen in the presence of President Arias Sanchez and Vice President Dengo: "We have obtained great support from Costa Rica. This pleases Guatemala, although the parliament is not for Guatemala but for Central America."

Carpio Nicolle did not want to comment on remarks by Nicaraguan President Daniel Ortega Saavedra. Ortega said that "we are neocolonies of the United States." Carpio Nicolle clearly stated that he did not want to offend Nicaragua in any way as he is visiting that country today.

He talked about the hard work done by the Costa Rican and Guatemalan commissions and how the work to create the parliament is advancing.

He reiterated that "President Vinicio Cerezo Arevalo will come to the presidents' meeting in San Jose on 15 February because Guatemala supports any peace effort.

Costa Rican Vice President Dengo, who accompanied his counterpart Carpio Nicolle, said that technical meetings on the Central American parliament will continue.

Dengo said: "There must be free elections in every Central American country."

However, it was not clear how and when these elections will be and, most of all, who will oversee and finance them.

Dengo said that he understood that despite Nicaragua's suit at the ICJ against Costa Rica, his country will continue attending the Central American meetings (with Nicaragua's participation) on the parliament.

The five Central American presidents approved the creation of the parliament during a meeting in Esquipulas on 24 May 1986.

Costa Rican delegates are: First Vice President Jorge Manuel Dengo, Foreign Minister Rodrigo Madrigal Nieto, National Assembly President Rosemary Karpinsky, Deputy Johnny Ramirez, and Deputy Luis Fernando Jimenez.

Jorge Saenz Carbonell and Fernando Castillo are part of the technical team.

The parliament is theoretically a forum for the deliberations, dialogue, analysis, and discussion of Central American problems.

Yesterday, the Social Christian Unity Party [PUSC] expressed its total support for the initiative of Guatemalan President Vinicio Cerezo Arevalo to create the Central American parliament. That party also said that Nicaragua should not be excluded.

PUSC Deputy Fernando Jimenez Maroto, a member of the legislative commission set up to study this initiative, said that his party's proposal permits Nicaragua's participation if in a short period of time that country allows other political parties (which at present are not in the Nicaraguan National Assembly) to participate so as to have true political pluralism.

Moreover, that political party is opposed to having special elections in each Central American country to elect the parliamentarians who will represent them. The party feels that those representatives must be picked on the same day national elections are held.

RELATIONS, POLICIES TOWARD NICARAGUA REVIEWED

PA102005 San Jose LA NACION in Spanish 5 Feb 87 p 4

[Text] Netherlands Foreign Minister Hans van den Broek has said that his government is considering the possibility of conditioning the assistance for development it grants Nicaragua to pressure that country into taking actions that will benefit the Central American peace process.

Speaking before the Foreign Affairs Legislative Committee, Van den Broek said that "the Nicaraguan situation is a poor showing of the promises the Sandinists made in 1979."

Meanwhile, in Paris, Costa Rican Foreign Minister Rodrigo Madrigal ruled out the possibility of establishing a military cordon around Nicaragua. He made this statement during his remarks to report on the aims of the meeting of Central American presidents -- except Daniel Ortega -- set to take place in San Jose on 15 February.

Meanwhile, Costa Rican Deputy Foreign Minister Carlos Rivera yesterday said that the conditions for sending Farid Ayales, who was appointed ambassador to Nicaragua, to Nicaragua are being examined. His departure was postponed as a result of Nicaragua's reaction to not having been invited to the presidents meeting.

In commenting on the Contadora Group's efforts to find a political solution to the area's problems, Minister van den Broek said that the crux of the matter is that Nicaragua's neighbors will continue to mistrust Nicaragua's internal evolution if that government refuses to establish contacts with the armed opposition.

"The Sandinist's involvement in all state organizations and the Army is inconsistent with the concept of pluralist democracy as it is understood by other Central American countries," the official said. On 9 February Van den Broek will attend the meeting of the Central American and EEC ministers in Guatemala City.

Costa Rican Foreign Minister Rodrigo Madrigal arrived in Paris on another leg of his European tour, which will end on Saturday. Madrigal said: "The Nicaraguan problem is not a border problem. That is why a military cordon would be ineffective."

Concerning the meeting of Central American presidents -- except the Nicaraguan president -- that will take place in Costa Rica, Madrigal said that attempts will be made during that meeting to establish a timetable for specific actions, which the Sandinists will be asked to comply with.

Meanwhile, reports from Bogota cite Salvadoran Foreign Minister Ricardo Acevedo's remarks upon arrival there to the effect that the president's meeting will not attempt to end Contadora's actions. He warned that "it is better to internationalize the dialogue than to internationalize the conflict."

In San Jose, Costa Rican Deputy Foreign Minister Carlos Rivera, in reporting that the conditions for installing Costa Rica's ambassador in Nicaragua are being examined, did not rule out the possibility that his government will ask for retraction of the remarks made by the Sandinist Foreign Ministry.

The Nicaraguan Foreign Ministry said that the countries attending the 15 February meeting in San Jose are "traitors and U.S. neocolonies."

U.S. ENGINEERS' WORK 'OF A MILITARY NATURE'

PA101431 San Jose LIBERTAD REVOLUCIONARIA in Spanish 30 Jan - 5 Feb 87 p 2

[Text] "Following orders from our superiors, it is absolutely forbidden to photograph the military engineers and what they are doing."

This is how a Costa Rican rural guard spoke to our photographer when last week he was near the Quepos Hatillo Viejo zone. The warning was followed by a stern statement that if he did not heed the notice "he would be arrested and his camera would be taken away."

Our comrade asked why it was forbidden to take pictures if the engineers were doing civil work. He received back a shout that "the orders were from superiors;" therefore, there was nothing more to argue about.

If in fact those who came from the United States and the Canal Zone are basically engineers, as has been said, and the jobs they are carrying out in the Quepos area are of a civil nature, it is unexplainable that taking pictures should be forbidden, and it is even more inexplicable that the "engineers" are seen being taken care of by a significant number of police who protect them night and day, especially if one takes into account that the Hatillo de Quepos zone is scarcely populated, and that all who live there are peaceful peasants.

These facts, plus the enormous amount of heavy machinery that has been unloaded off planes at the Juan Santamaria Airport and off ships which docked at Quepos, increase the suspicion as to the real mission the North Americans are carrying out in our territory and that the truth is that they are not simply engineers but instead troops belonging to military engineering teams whose speciality is to carry out jobs of this nature.

According to U.S. Embassy statements which were disseminated by the local press, at the Juan Santamaria Airport six big steel boxes wre unloaded containing tools and work equipment, plus four small vans, three trailers, and two containers. At the same time, at Quepos, heavy equipment was unloaded, containing cranes, light trucks, cargo trucks, levelers, potable water tanks, and so on.

Both the military personnel, which already total 240 military engineers, as well as the equipment, the unloading of which has not yet been completed, according to the program, indicate the Reagan administration's project to develop that part of the coastal highway as an alternate route to the inter-American highway. Both are of great volume and surpass the need of the villages of Hatillo and Portalon de Quepos as well as our own country.

The planned construction of the Bailey [preceding word in English] bridges over the Hatillo Nuevo and Portalon Rivers and other smaller rivers in the area, bridges which are built to support great weights, as was revealed last year by members of the military brigade in that area during the previous mission, also greatly surpasses national needs and confirms that all the activity carried out in that southern coastal area is of a military nature and follows plans drawn up in the White House and not at the El Zapote presidential residence. President Arias is therefore totally in agreement with serving Reagan, who is interested in building an alternate route to the inter-American highway so military forces will be able to move quickly and without impediment between the Canal Zone and Nicaragua.

GUATEMALA

STATION SEES DETERIORATION OF 'ACTIVE NEUTRALITY'

PA101653 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 10 Feb 87

[Station Commentary: "Has Active Neutrality Come to an End?]

[Text] While high-ranking representatives of the EEC and the Contadora Group are meeting in this capital with the five Central America foreign ministers to seek some form of political consensus to resolve the conflict in our isthmus, many observers agree that the intensive pressures of the Reagan administration on the Guatemalan Government are apparently weakening the resistence of the Christian Democratic regime and forcing it to align itself with the anti-Sandinist stands of the Honduran, Salvadoran, and Costa Rican Governments.

The deterioration of active neutrality, which is one of the most outstanding achievements of the Cerezo administration, has been made all the more noticeable by a number of recent events, such as the visit by U.S. National Security Adviser Frank Carlucci; the forced resignation of Deputy Foreign Minister Francisco Villagran de Leon, who was a resolute voice in favor of neutrality at the Foreign Ministry; and the refusal to agree to priest Edgar Parrales as Nicaraguan ambassador to Guatemala, which involved undesirable religious meddling in political matters which are of a very, very different nature.

However, the most significant development has been President Cerezo's decision to attend the meeting of Central American presidents scheduled for Costa Rica on 15 February, from which Nicaragua will be consipicuously absent, supposedly to listen to a new peace plan drafted by the Costa Rican Government, but which most view as a new attempt to torpedo the peacekeeping efforts led by the Contadora Group in keeping with dictates from Washington.

It had been previously reported that the Guatemalan head of state would not participate in this meeting. The change in attitude seems to point to a deterioration of a very right and positive political line of steering clear from a conflict promoted by interests which are alien to our nations.

FAR LEADER ASSESSES CEREZO GOVERNMENT POLICIES

PA100436 Paris AFP in Spanish 0258 GMT 10 Feb 87

[Text] San Jose, 9 Feb (AFP) — The commander in chief of the Rebel Armed Forces (FAR), and member of the URNG General Command, Pablo Monsanto, has stated that "the political opening (of the Guatemalan Christian Democratic government) will be put to a test this year."

Concerning the international policy of the government, the top leader of the FAR admitted that "Cerezo has availed himself of the policy of active neutrality together with the expectations that have been created at an international level as a diplomatic resource through which he has reversed isolation and has achieved political recognition."

In a statement issued here, the guerrilla stated that President Vinicio Cerezo's achievements are very relative, very superficial, and very week," [quotation mark as received] and that "human rights continue to be violated systematically in the country."

According to Monsanto, the initiative of the Guatemalan president to create a Central American parliament is to "replace Contadora and turn it into a legal restraint to subdue the Sandinist revolution." [Words indistinct] the guerrilla commander stated that "Cerezo's government and Army support the Nicaraguan counterrevolutionaries, serve as a logistics bridge for over 765 tons of weapons, and allow the training of the Nicaraguan mercenary forces in the Kaibil School, in the northern Deprtment of El Peten. [no closing quotation mark as received]

In a lengthy declaration on the occasion of the 24th anniversary of the FAR, Monsanto said that the recent changes of military chiefs within the Guatemalan Army represent "the consolidation of the position and trend of the group led by General Hector Gramajo." Gen Gramajo took over the important post of Guatemalan Defense Minister last Sunday, when his predecessor, Jaime Hernandez, retired.

However, for Monsanto this means that "Gramajo's group put down all those military sectors that, within the Army, were opposed to participating in a possible warlike adventure against Nicaragua."

The FAR, along with the Poor People's Guerrilla Army (EGP), and the Revolutionary Organization of the People in Arms (ORPA), make up the URNG, the organization that groups the main clandestine organizations in Guatemala.

HONDURAS

AZCONA, LOPEZ CONTRERAS HOLD NEWS CONFERENCE

PA222140 Tegucigalpa Radio America in Spanish 2113 GMT 20 Jan 87

[News conference given by President Jose Azcona and Foreign Minister Carlos Lopez Contreras in the Room of Mirrors at the Government Palace in Tegucicalpa -- live]

[Text] [Antunez] Danilo Antunez of Radio America and LA TRIBUNA. Mr President, we wish to know whether your government made a commitment to the Contadora and Support Groups, the secretaries general of the OAS and the United Nations to bring Honduras back to negotiations with the Contadora Group.

[Azcona] It is not exactly a commitment, because they did not come to Honduras with that purpose in mind. They came to inform us about the results of conferences and meetings with other presidents and to express their determination to find a solution to Central America's problems.

We made no commitment. We clearly stated we are not against the Contadora effort or anything like that. Given the necessary conditions, we would be the best ally of the Contadora and Support Groups in their peace-seeking effort.

[Murillo] Mr President, I am Jose Trino Murillo of HRN [call name of Voz de Honduras]. First, in a letter (?appearing in the press today), which you addressed to the Contadora presidents, you state that the blockade against the Contadora negotiation process has been caused by Nicaragua. Second, you state that possibilities for an immediate resumption of negotiations depend entirely on Nicaragua. Does this mean that so long as Nicaragua does not do what you have said in your letter, Contadora will never be reactivated?

[Azcona] Well, Honduras' position is clear. How can we sit at a negotiating table with Nicaragua, when Nicaragua is suing Honduras at The Hague? This is a clear position: One cannot defend oneself or hold a dialogue at the diplomatic level and defend oneself at the judicial level at the same time. Our position is clear. There is no need to expound on this.

[Castellanos] Rafael Castellanos of [word indistinct] Tegucigalpa. Mr President, given that the UN and OAS secretaries general and the Contadora Group foreign ministers are touring Central America and that the United States and the USSR are not participating, what can be expected from these diplomats? Will the results be positive for Central America?

[Azcona] I believe the worst effort is no effort at all. That is why we expressed our thanks and extended a warm welcome to the eight foreign ministers, UN Secretary General Javier Perez de Cuellar, and OAS Secretary General Baena Soares. We appreciate the effort they are making. I repeat, the worst effort is no effort at all.

We will continue to encourage these kinds of initiatives. However, to avoid wasting time and risk misrepresenting our perspectives, we have clearly posed our viewpoints in a letter to all Contadora and Support Group presidents.

[Romero] David Romero of Radio America. Mr President, in the 25-point document that you sent to the president of Panama, which contains Honduras' viewpoints, there is no mention of the presence of rebel troops in our territory, specifically anti-Sandinist rebel troops, which in one way or another are an important factor in the pacification of Central America.

[Azcona] Well, we have often commented on the so-called rebel groups. We understand that these people...[changes thought] it is our wish that they leave Honduras and never return. We believe we are achieving this, but it will not be accomplished shortly.

However, people are constantly claiming that that is the main issue of the Central American situation. I insist that this is not a problem stemming from the situation in Central America; I insist that this is not a problem stemming from the situation in Central America [repeats himself]. It is nothing more than a consequence of a lack of democracy in Nicaragua. Thus, there is an attempt to link the Central American problem to the contras. This is the result of a cause, not a problem.

[Izaquirre] Jose Danilo Izaquirre of newspaper [words indistinct] and HRN. If results are not positive via dialogue and in view of Honduras' position not to accept a bilateral solution, what can Honduras expect given that we are closely linked to Nicaragua by the border area?

[Azcona] I insist the situation will remain as is. We have clearly stated that we do not want or desire a war and that no Honduran soldier will fight outside Honduran territory. We will never attack Nicaragua and we will not lend our territory to attack Nicaragua.

In this case, the situation will remain the same. We will continue to suffer the effects of Nicaragua's situation unless Nicaragua decides to attack us and that is also doubtful.

I believe that statements about our having been on the brink of war are very alarmist statements. I do not think there will be war with Nicaragua. If there is no opening in Nicaragua, if there is no internal solution in Nicaragua, we will continue to suffer the effects of that situation. Of course, that is harmful to us.

There is talk about the contras. We already said we want the contras to leave; we want them to (?go to Nicaragua). Moreover, we do not want war in Nicaragua between contras, revolutionaries, and the government. We want an understanding among them. We want a solution from the Nicaraguan viewpoint and among Nicaraguans; after all, that problem involves them.

[Osorio] Regina Osorio of [words indistinct]. In your letter to your Panamanian counterpart, point six emphasizes...

[Azcona, interrupting] It was sent to the eight presidents. You have a copy of a note sent to the president of Panama, but the text of the eight notes to the eight presidents is identical.

[Osorio] Well, point six of your note textually states that it is not conceivable that states offering their good offices in a mediation would take sides in favor or against the protagonists of a negotiation. Does this mean you are questioning the participation or the favoritism of certain members of the Contadora Group toward the protagonist countries?

[Azcona] No, I am stating that mediators should be impartial.

[Nunez] Fuiyapa Nenez of Radio Tegucigalpa. Mr President, what will happen if the Nicaraguan Government refuses to withdraw the suit it presented at the ICJ in The Hague? Would this constitute a failure on the part of the Contadora Group? Another question: We know that democratic representatives visited Honduras. What is your opinion about their statements to the national press?

[Azcona] The much-publicized statements to the press were made by a two-bit adviser of a corporation, or the city or whatever it is called, of Philadelphia. It was not a congressman who made those statements so commented on by the national press. This question is useful to clarify this. No U.S. congressman questioned Honduras' position after that news conference. There were only four congressmen: one from Kansas and I do not know what states the other ones are from. They are congressmen. The man who said Honduran policy is wrong, the man who spoke so much was nothing more than an adviser to a U.S. city; he does not have the rank of a congressman or even much less than that.

As for the important part of the question, if Nicaragua does not withdraw its suit at The Hague, we have already appointed our agent in The Hague; we have already stated that that court is not the appropriate instance. However, if the court -- despite our arguments -- declares itself to be the appropriate instance, we will continue with the suit. Regardless of what the court ruling is, we do not foresee major problems for Honduras.

This is not a suit on tangible issues such as the border between El Salvador and Honduras. This is a purely political trial. Rulings in the political arena do not have the historical and permanent effects that (?ruling) on border issues can have.

[Reporter] Do you think it is possible to achieve peace in Central America within the Contadora framework without a U.S. commitment to suspend actions against Nicaragua?

[Azcona] There is already peace in Central America except for two countries: where the Salvadoran guerrillas are present, and where there is internal struggle, as in Nicaragua. There is peace in Honduras; Honduras is not at war with anyone. I insist that an opening within the Nicaraguan system is necessary to bring about an understanding among Nicaraguans. It appears that President Ortega is willing to agree to a cease-fire. To achieve a cease-fire, there must be a dialogue with the armed opposition. He has never agreed to hold talks with the armed opposition; in fact, I believe he has even refused to hold talks with the local political opposition.

Therefore, that is the core of the problem. However, Honduras is not at war with any Central American country; nor is there civil war inside Honduras. When we talk about peace, we refer to internal peace in the countries. There is no war between our countries. Honduras is not waging war against Nicaragua. We have been victims of Nicaraguan incursions, and we have responded timely, but very prudently, to avoid major confrontations that could lead to a conflict.

[Reporter] In point 25, Mr President, you recommend the establishment and implementation of three mechanisms to maintain peace in Central America. The first one: political commission for international verification. Is that recommendation similar to a proposal made by Nicaraguan President Ortega to have an OAS or UN peace force guard the border area with Nicaragua?

[Azcona] No, the Nicaraguan proposal of a peace force does not have...[changes thought] what they seek is to have their backs guarded. That is similar to what is being said here. Some friends ask why we allow counterrevolutionaries to enter Honduras. To prevent that, we would have to use all our efforts and resources. But who would benefit by this? The Sandinist government.

Therefore, they are different proposals. Our proposals fit perfectly within the overall solution we have always advocated: the overall solution in the agreement hinges on verification; actions to be carried out must be verifiable. They must be under control. In other words, our proposal is more in line with what we have constantly advocated: the Central American problem be solved through an overall, verifiable agreement.

[Moderator] Does the international news media have any other questions for the president of the Republic?

[Mendez] Mr President, Pastor Mendez of the Latin American Agency for Special Information Services. I have two questions: The first one refers to information released by international news agencies attributed to a Guatemalan legislator.

[Azcona] A what?

[Mendez] A Guatemalan legislator.

[Azcona] Yes.

[Mendez] She issued statements against your government and you, namely, that Honduras opposes the Central American parliament. Is this part of the initiative in U.S. foreign policy to boycott efforts in this concern? That is my first question. My second question is this: The UN secretary general's personal spokesman, Mr Zamorano, issued some statements to certain colleagues. He said part of the interest to visit the region was to gather information about an important topic, the refugees. Was this topic discussed at length during the bilateral meeting with you? Thank you.

[Azcona] Referring to the first question, I could not care less about a Guatemalan legislator's opinion, because there are legislators everywhere and all have different viewpoints. All the legislators in the world cannot possibly support the Honduran Government. However, to tell you the truth, it is unfair to state that Honduras opposes the Central American parliament, because we gave it all the necessary support from the moment that President Cerezo presented the initiative. Honduran presidential designates have traveled, in their role as vice presidents, to discuss this matter in Guatemala at least three times. A Honduran congress delegation also went to Guatemala. However, we cannot talk about the Central American parliament when we face a suit at The Hague, and when I do not know if Nicaragua would be willing to fulfill the pledge that states that the countries' representatives to the parliament must be directly elected by the people. Consequently, we will not lose sleep over the legislator's statements; she has a right to her own opinion. However, I think she is unfair. Honduras has not boycotted President Cerezo's initiative to organize the Central American parliament.

Referring to the refugees, the Contadora and Support Groups' envoys did not discuss the refugees during the talks. However, Mr Perez de Cuellar did ask us about the refugees during our private meeting. We answered his questions based on our knowledge that the refugees are humanely treated in Honduras; that there had initially been some problems with the UN Office of High Commissioner for Refugees' [UNHCR] representative in Honduras, but all this is now working fairly well; that we welcomed the UNHCR commissioner, Mr Fox, 1 or 2 months ago; and that he had left pleased with the way in which the refugee problem is being handled in Honduras. We also discussed with him the possibility of mediating with the Guatemalan Government so the Guatemalan refugees we have in Honduras...[changes thought] it is true that Guatemala does not have any internal struggle problems, so the United Nations could very well help Guatemala take the approximately 500 refugees we have in Honduras. I think they can be perfectly well repatriated or relocated in Guatemala since Guatemala now has a democratic atmosphere and respect for human rights.

[Moderator] It seems the international reporters have concluded their questions. Since we still have a few minutes, we now return to the national media.

[Nunez] Marta Nunez of Radio Tegucigalpa. Mr President, Mr Foreign Minister, do you believe that the problem between Honduras and Nicaragua is a result of the two world powers' meddling, as it was recently stated by bishops who met to analyze the Central American crisis? Also, taking into consideration that we are a developed [as heard] country, is there any hope for us?

[Azcona] Well, I do believe there is some influence; of course, there has to be some. I would be foolish to deny it. We are within the U.S. sphere of influence, and we will not deny this point. Referring to Nicaragua, the Nicaraguans cannot possibly deny that they are aligned with the Soviet bloc. We saw a newscast yesterday, "Hoy Mismo" [Televisora Hondurena newscast], that shows Soviet helicopters firing against counterrevolutionary positions. These helicopters are worth millions of dollars, and President Ortega himself has said the helicopters cost nothing because they were gifts. If they were gifts, then there must be a good reason for making such gifts. Consequently, I do believe the great world powers exert their influence. Referring to Honduras' future, I believe Honduras is advancing toward development -- even though we are not advancing as quickly as we would like. However, the future will be that which we Hondurans forge for ourselves with our work and dedication.

[Nunez] Could Honduras then [words indistinct]?

[Azcona] Could Honduras what?

[Nunez] Could Honduras prevent the meddling in any way?

[Azcona] We handle the situation with dignity, and demand respect for our sovereignty. However, we cannot forget -- as I previously said -- that we are within the U.S. sphere of influence. [Word indistinct] and we have the right to act as a sovereign country with dignity.

[Unidentified reporter] Mr President, the recent [word indistinct] at the wake of the meeting between Honduran Foreign Minister Lopez Contreras and the Costa Rican and Salvadoran foreign ministers, the (?media) reported Honduras, Costa Rica, and El Salvador are preparing to boycott Nicaragua and sabotage Contadora. This is one thing. There is another thing. At our press and radio stations, we have received some representatives of those who are feeling displaced. They state that they have had enough of the Nicaraguan counterrevolutionaries' presence and incursions by Sandinist troops in the territory. Has the government really confirmed that?

[Azcona] Yes. Regarding the first matter, I feel those remarks on the formation of something they are calling the Tegucigalpa Bloc are groundless. The foreign minister will refute those remarks. On the second matter, some people have been displaced from the area where the Sandinist troops entered. There are approximately 1,200 displaced persons. Once this problem is worked out, we want to see if we can build more infrastructure in the region to turn it into a productive zone again. However, the problem is not as serious as some have tried to depict. Moreover, it is not true that we have refused to aid these people. The Honduran Government has provided direct aid. AID is giving 600,000 lempiras to the [word indistinct] cooperative and to Caritas to help this group of displaced persons.

[Lopez Contreras] Mr President...

[Azcona, interrupting] The foreign minister will reply to the question regarding the meeting in El Salvador.

[Lopez Contreras] Thank you, Mr President. We have already commented on this matter. However, I want to say that the Honduran foreign minister attended that meeting on behalf of the Honduran Government, at the invitation of the Salvadoran Government. We talked at that meeting with the visiting group of 10 about a series of ideas that the Costa Rican Government has offered as a peace proposal, a proposal, however, that still does not have clear definitions or guidelines. I believe Honduras cannot be blamed for a boycott of the Contadora efforts. On the contrary, Honduras has given a welcome befitting to the importance of this mission; Honduras not only has issued verbal statements, but also has issued written statements that you have all seen.

[Reporter] Mr President: Do you not think we are missing a great opportunity for the Central American problem to be resolved regionally? Could not the presence of the OAS and UN secretaries general specifically in the Central American area be considered an indication that the Central American problem might be resolved at the highest level, at the United Nations?

[Azcona] No. I do not believe we are missing any opportunity. We are willing to push on. What do you want us to do? What the Sandinist government wishes? Should we instead follow what they say? We are en route and willing to continue negotiating but, I repeat: The problem is not ours. If the problem had been ours, we would have resolved it a long time ago. It would be our problem if we were pressuring the Honduran people, creating an internal problem, and not wanting to resolve this internal problem. We have no internal problems here in Honduras. There were some people here all morning shouting, and no one bothered them. Of course, as I explained to the foreign press, those people absolutely do not represent anything, which, of course, is the case. They are small and insignificant minorities in this country. However, there they are; no one bothered them; they could say anything they wished.

If the problem were Honduran, our duty would then be to resolve it, but we are only spectators of this problem. This situation is the result of the lack of democracy in Nicaragua. What do you want us to do? To say we agree with what the Nicaraguan Government is doing? That we are happy many thousands of refugees are in Honduras? I do not understand what they want this government to do. The government says: We shall respect Nicaragua; we will not intervene in that Nicaraguan problem; we shall never allow our territory to be used as a launching site for an invasion against Nicaragua. What more can we do? Are we to start resolving Nicaragua's internal problems by sending our own food -- which we need -- for Nicaragua so they do not suffer food rationing over there?

We do not have any problems this year. We practice democracy here; everyone says what one wishes, including the small minorities -- we are going to say this always -- that the small minorities are just that: small minorities. Public opinion disagrees with the clownish acts they performed this morning. Instead of welcoming the foreign ministers, they tried to give the foreign ministers the impression that the people of Honduras are against this government's foreign policy. The fact is that in Honduras, the Liberal Party of Honduras [PLH] and the National Party of Honduras [PNH] have the backing of 96 percent of the electorate -- approved in free and honest elections. If this is the case, it means that 96 percent of Hondurans agree with the government's position regarding foreign policy. I could not care less that there might be four writers like Gautama Fonseca and (Danilo Delgado Fiallos), and four or more that between them all do not have the opinion of 1,000 people, of 1,000 citizens that are against the government's foreign policy. They don't represent anything.

However, if the peasants, the PNH, the PLH, workers, or large labor unions come and tell me: Your foreign policy guidelines are wrong; we will see what can be done. Meanwhile, my duty is to make sure the Honduran people do not become involved in a war, and no one will push Honduras into a war because the Honduran soldiers will not cross the border into Nicaragua, El Salvador, or Guatemala. We will remain within our borders. We will not attack any country on this continent or beyond this continent. Also, we will not allow the launching of an invasion against Nicaragua from Honduras. However, not allowing U.S. instructors to come and prepare our Armed Forces is quite different. No one has the right to come here and demand that we do or not do that. Who has the right to do this? Not Contadora, or the Support Group, or anyone -- and they do not dare do it either because they know the limits of these things. Consequently, we are not provoking anyone; we are not stirring up trouble.

The Nicaraguan counterrevolutionaries are Nicaraguans, not Hondurans. Why are they willing to fight against that government? I suppose that they are willing to fight against that government because they think a political solution is not possible in Nicaragua. The same thing would happen in Honduras if this government were a dictatorship, because our Constitution clearly states that the people have the right to rebel against dictatorial governments that violate any right. If this government begins to mistreat journalists or deny other parties' rights to rise to power through the ballot boxes, we would be stirring up trouble. However, as long as we have democracy and state we will respect other countries, I do not see how we could be contributing to create unrest in the area.

[Moderator] Messrs journalists, the next question will be the last one because we have run out of time.

[Unidentified reporter] Mr President, the newspaper EL HERALDO reprinted today information that reportedly appeared in THE WASHINGTON TIMES in the United States, stating that you asked President Reagan not to send special envoy Philip Habib. If this is true, why did you do that? The other thing....

[Azcona interrupting] That is not true.

[Reporter] Excuse me, Mr President, the other thing is about...[changes thought] since you say that if the majority groups of the country ask that your foreign policy...[changes thought] for example, if PNH leader Rafael Leonardo Callejas asks you to expel the contras, would you do it?

[Azcona] The problem is that you take things to such extremes! Let us begin with the matter about Habib. I have not asked that Habib stay away from Honduras. If Habib comes to Honduras, I would welcome him as many times as necessary; there is no problem about this. Why should Habib not come to Honduras? Let me tell you: If he or any foreign minister or special ambassador is sent here by any government on this continent or Europe, I would welcome him gladly. In other words, the report is not true.

Referring to the other thing, I want to tell you Honduran public opinion has stated its support for our government's foreign policy, and if it has stated its support, I have nothing to worry about -- including those four or five persons who write articles stating the opposite. All I care about is the majority's opinion because we are the result of this, we are a democracy.

[Moderator] Thank you, Mr President.

PNH LEADER CALLEJAS VIEWS CONTRA PROBLEM

PA100452 Tegucigalpa LA TRIBUNA in Spanish 7 Feb 87 p 7

[Excerpts] During a news conference held yesterday afternoon in San Pedro Sula, Rafael Leonardo Callejas, president of the National Central Committee, said that the Nicaraguan contra problem is a very important one for Honduras.

According to Callejas, one must not lose sight of the fact that there is a totalitarian Marxist government in Nicarauga and this has allowed irregular forces to appear. They seek to replace the political power in that country and bring in another ideology. This, however, must not be the cause for Honduras to involve itself in something that can be detrimental to its own democratic survival.

Callejas, the PNH [National Party of Honduras] presidential candidate, stressed that the contra forces must carry out their struggle within their own territory, giving up their training camps and activities in Honduras.

Moreover, the nationalist leader will request the National Electoral Tribunal (TNE) call internal elections for the last Sunday in November 1988. [passage omitted]

Callejas is in San Pedro Sula with other members of the PNH Central Committee, and with representatives from all parts of the country participating in the convention. The convention was officially opened on Wednesday in Tegucigalpa and will convene in San Pedro again today. It will conclude tomorrow.

COMMISSION ON CONTRAS TO ANNOUNCE OPINION SOON

PA101326 San Pedro Sula TIEMPO in Spanish 9 Feb 87 p 4

[Text] Deputy Nicolas Cruz Torres has said that the congressional commission that is considering his proposal to evict the contras from Honduras will announce its decision soon. He feels confident that this decision will be favorable to "the interest of Honduras."

Regarding Rafael Leonardo Callejas' lastest remarks, Cruz Torrez infers that his party "agrees" with the proposal. "It is logical. The problems of the Central American countries must be settled within their own territories, either peacefully or by force, not by using our homeland as a springboard for guerrillas. The Salvadoran guerrillas fight within their own territory. Nicaraguans should do the same."

Cruz Torres, who has been described in teacher and trade union circles as "the deputy who is trying to recover the national dignity," said that Honduras "must get rid of this dead weight that jeopardizes national sovereignty and harms the economy and the pockets of fellow coffee growers at the border who have been displaced by the contras."

He said: The commission now has more reason to recommend the eviction. Some of these reasons are that this group has been discredited abroad and problems have arisen with the United States regarding economic aid. To top it off, U.S. Democratic congressmen with a majority both in the House of Representatives and the Senate have told us that the contras are a problem for Honduras rather than for the United States.

He continued: All of us know that Honduras does not finance these people. If the proposal is not acted upon favorably, "all of us will have to become united so that they either go to fight in their country or are taken to the United States."

If they fail, "as I think they will, our poor economy will not be able to absorb them. We already have close to 900,000 unemployed, and this constitutes a serious problem. Honduras cannot receive 20,000 men whose only trade is to pull a trigger."

NICARAGUA

BARRICADA CITES CESAR, CRUZ ON CONTRA 'CRISIS'

PA101603 Managua BARRICADA in Spanish 8 Feb 87 p 5

[Text] Alfredo Cesar, one of the top leaders of the so-called Southern Opposition Bloc (BOS), has said in the capital of Costa Rica that "the position of the UNO [Nicaraguan Opposition Unity] is untenable." He made this statement after having admitted the contras are irreversibly divided.

Cesar said that as a result of direct talks with UNO leaders, he is in a position to affirm that "the crisis in that organization is very deep and this is a source of concern because the Nicaraguan resistance is facing two big challenges."

He said that "one challenge is the peace initiative for Central America that will come out of the [Central American] presidents' meeting to take place in San Jose on 15 February." According to Costa Rican political leaders, this statement means that "the contras already know what the Tegucigalpa Bloc is going to discuss at this meeting."

He said that "the second challenge is the debate to take place in the U.S. Congress." The results of this debate will determine whether or not the Nicaraguan mercenaries will continue receiving economic aid, something that is being opposed by a large percentage of the U.S. population and many congressmen.

Acting as a spokesman for Arturo Cruz, Cesar said that a few hours earlier he had talked with Cruz who told him that "the split in the UNO leadership had occurred because that organization does not have a collegial leadership." However, Alfonso Robelo -- another UNO leader -- has said that in the UNO-FDN organization there is a military monopoly that ignores "the Southern Front" whenever the time comes for distributing U.S. aid.

In concluding his news conference, Alfredo Cesar practically challenged the UNO by saying there should be "a new alliance that should include BOS, the Southern Front, MISURA [Miskitos, Sumus, and Ramas], MISURASATA [Miskito, Sumus, and Ramas, Sandinist Unity], KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples], and Eden Pastora."

The irreversible nature of the division of the so-called "anti-Sandinist groups" was admitted yesterday in Costa Rica by Arturo Cruz, a Washington D.C. resident and former banker. Recently Cruz was received with full honors in the White House.

After arriving in Costa Rica under strict security measures in spite of the proclaimed "perpetual, active, and unarmed neutrality" of the Costa Rican Government, Cruz admitted there is an irreversible crisis within the so-called UNO and noted that "I want to catalyze substantial changes in the contra leadership" with his attitude.

Cruz said he is in disagreement with the hegemonic position former officers of the Somozist dictatorship have in the FDN command. He warned that "it is necessary to shape up the counterrevolutionary leadership."

He added: "It is necessary to create a truly collegial leadership where all members are equally responsible for managing funds, directing the war, and orienting the war," thus repeating some points of view that have already been expressed by Elliott Abrams and other ultrarightist officials of the Heritage Foundation.

In his statement to a Costa Rican television news program, Cruz attributed his resignation from the UNO leadership to "differences of opinion on what UNO unity should be," but Washington political sources have reported that the main obstacle to unity among all the contra groups has to do with the distribution of U.S. financial aid.

NUNEZ EYES CHURCH-GOVERNMENT NEGOTIATIONS

PA102229 Managua BARRICADA in Spanish 8 Feb 87 p 5

[Text] Presidency Minister Rene Nunez said yesterday that the church as a whole is to be blamed for the hostile statements made recently by Bishop Pablo Vega and Msgr Bismarck Carballo. He said such attitudes affect the bilateral meetings process promoted by the government.

During an interview with BARRICADA, the government representative in the church-government commission voiced his concern in this regard because, he said, such statements do not contribute to a dialogue, "particularly when the dialogue is also aimed at discussing the case of Msgr Vega."

When the bishop said he will not return to Nicaragua so long as the cause of liberty is not victorious, he created obstacles against any desire to discuss his case, Nunez said. He added: "It is our obligation not to hide this sort of thing."

Nunez recalled that in the three meetings the government has had with the church representatives since the commission became active in September of last year, "both sides have been honest in what they say" and have tried "not to engage in public polemics over opinions and differences that could harm the dialogue effort."

Nunez said the maturity and seriousness exhibited in touching on matters of common interest during the current meetings "will promote careful thinking about these types of attitudes [not further identified] as well as the adoption of more constructive attitudes."

Nunez was asked about the current state of the talks. He recalled the initial plan was to hold monthly meetings to discuss a general agreement, but because of multiple obligations by the church delegation, not all the scheduled meetings have taken place.

The meeting scheduled for 1 December was postponed until the beginning of this year, as requested by the church. The government proposed 12 January as the date for the meeting. It was not until that day that Msgr Bosco Vivas, secretary of the Episcopal Conference, responded that he would be unable to attend.

A second government proposal suggested either 22 or 26 January as the date for the meeting. The answer from the church authorities was the same. They decided to postpone the meeting until 9 February, a date immediately accepted by the government side.

Nunez noted: "We are going to this meeting under some pressure." However, he said he trusts that tomorrow, Monday, an 11-point agenda will be approved. "Once we achieve this, we will begin discussing each point to draft the general agreement we are going to sign."

Minister Nunez noted: "Three months is plenty of time. They have been used to consider the proposals and to prepare the way to reach agreement on the agenda presented."

In our opinion, it would have been best to hold meetings every month, but looking at it positively, we see that there has been time to study and consult and to have a clear position on the proposed agenda, Rene Nunez stated.

He reiterated that the government is interested in considering the position of various members of the church, noting that although not all the attitudes toward the dialogue or the government's disposition to hold a dialogue have been positive, "we believe these are understandable situations."

"Logically," he added, "distrust for us is a source of concern because of the atmosphere during negotiations. However, we realize that not everybody has the same maturity, sense of responsibility, or understanding of this problem, which is a difficult and very sensitive one."

In evaluating the nearly 6 months that have gone by since the talks began, and comparing that period with the bilateral relations situation that existed up to September of last year, Rene Nunez said that "the fundamental difference is that we are talking and discussing matters of mutual interest as well as our differences to avoid misunderstandings at the public level." [sentence as published]

Nunez noted: "Of course we do not expect the situation to be resolved in a little while or to reach a full agreement. We do expect to find both common and differing points of view on various topics. The important thing is that both of us work for the benefit of the people, as this was the main objective of the government when it proposed a general agreement."

Regarding the Vatican's position on the dialogue process, Nunez pointed out the positive attitude of Apostolic Nuncio Paolo Giglio as well as "his interest in understanding the Nicaraguan process and in listening to our opinion with goodwill. The goal is the establishment of stable government-church relations."

He said this is the official position of the Holy See, where there is receptivity on the part of Secretary of State Cardinal Agostino Casaroli and Msgr Aquiles Silvestrini, according to information from the Nicaraguan Ambassador Ricardo Peter Silva.

"We believe the Vatican wants us to reach an understanding and to have better communication with the church," he said.

Nunez noted that while it is true the dialogue is based on the work of the church-government commission, there is no obstacle on the part of the government to talk with Cardinal Miguel Obando, with whom there has been no direct talks since September, when the dialogue was initiated.

RELATIONS WITH SOCIALIST BLOC REVIEWED

PA101741 Managua EL NUEVO DIARIO in Spanish 8 Feb 87 p 2

[Article by Esperanza Roman: "Nicaragua and Its Relations With the Socialist Countries]

[Text] It is embarrassing to look through the passports Nicaraguans used before the triumph of the Sandinist revolution. Their inside covers were inscribed with a long list of countries Nicaraguans were not allowed to visit. They read: "Not valid for travel inside..." socialist countries, of course. Whoever dared visit those countries (excluding political visits that benefitted the dictatorship) was taken straight from the airport to jail upon his return.

When Carlos Fonseca visited Moscow to attend an unforgettable meeting of youths from around the world -- masterfully described in his book "A Nicaraguan in Moscow" -- he was taken to prison upon his return and labeled a communist.

At that time anyone who chanted "Death to Somoza," painted walls, or dared raise his voice against the National Guard was labeled a communist. People were sent to prison for the simple crime of "speaking against the National Guard."

This changed when the army of the Sandino's sons and its vanguard ousted the tyrant from power, destroyed the opprobrious regime, and installed in Nicaragua a new system of government that is generous and humanistic, for which the top priority is man and his ideas, thoughts, and freedom.

One of the first measures adopted by the revolutionary government was to reestablish diplomatic, political, and commercial relations with all neutral, socialist, and capitalist countries.

Cuba was with us before the triumph of the revolution. It has been generous from the beginning. It is a small Latin American country that fully supports us, not only with its warm solidarity, but by giving us educational and medical assistance. Relations with socialist countries did not begin on 19 July 1979.

"Contradiction never ends," Lenin said. It is the basis for development. Nicaraguan analysts believe that the USSR is among the countries that has shown the most solidarity with Nicaragua.

We maintain mutually respectful fraternal relations. This is manifested in the Soviet decision to purchase our products at twice their value, paying us a portion in foreign exchange and the rest being applied against Nicaragua's debt with the USSR. The relations between governments and parties are also mutually respectful.

Relations with the GDR were established on 19 July 1979. By then we already had a friendly relationship with the Socialist Unity Party. It is recalled that Marx and Engels were German and that the communist manifesto stresses a conscience-raising slogan: "Proletarians of the world, unite!" We must acknowledge the role played by Erich Honecker, whose solidarity and confidence in our people and revolution influenced the German people's attitude toward Nicaragua.

Bulgaria is a country of a great revolutionary tradition. It has shown this since the time of the Turkish occupation, which lasted 4 centuries. Georgi Dimitrov strengthened the country, which has attained high levels of industrialization and prestige. Bulgaria is Nicaragua's ally and friend.

Here is where we run into the contradictions we mentioned before. Other countries maintain friendly relations of solidarity with Nicaragua despite various political and economic limitations.

These include Czechoslovakia, with which we have signed important agreements; Poland, with which we have maintained diplomatic relations for 5 years and where we will open an embassy in the future; Yugoslavia, which has also asked us to open an embassy there this year; Hungary, with which we maintain government and party relations and technical cooperation, which includes scholarships for reporters; Albania, with which we maintain relations through a concurrent ambassador; and the DPRK, with which we maintain very good relations. The DPRK has increased its economic cooperation with Nicaragua despite its own economic problems.

We have established government-to-government relations with the PRC. We maintained good relations with Vietnam, Laos, and Cambodia.

Mongolia, a country which made a direct leap from feudalism to socialism, maintains strong relations with the socialist countries. Its relations with Nicaragua are fraternal.

This is the overall state of Nicaragua's relations with the socialist countries.

We maintain our policy of nonalignment, dignity, and sovereignty, working to attain what the world needs most: peace.

PSN, MAP-ML REJECT OPPOSITION PARTIES DOCUMENT

PA101417 Managua BARRICADA in Spanish 7 Feb 87 p 5

[Text] Marxist-Leninst Popular Action Party [MAP-ML] leader Carlos Cuadra yesterday said: "We reject, denounce, and oppose the document presented [by seven opposition parties] because it proposes an open dialogue with the contras. The Nicaraguan proletariat have stated that the only reply possible to the mercenaries is their complete defeat." He was referring to the 9-point proposal presented by seven political parties.

The proposal is mainly aimed at requesting a dialogue with the contras, and the Independent Liberal Party, Popular Social Christian Party, Conservative Party of Nicaragua, Social Christian Party, Constitutionalist Liberal Party, Social Democratic Party [PSD], and Communist Party of Nicaragua talk about creating a national peace commission "that would work in earnest to attain a cease-fire as soon as possible."

Likewise, the commission would work to fully enforce political, economic, and social rights and forge a patriotic unity in the nation, as well as a national reconstruction plan, general amnesty for political crimes, and the preparation of a schedule for elections at every level.

"Those who cosigned the document clearly indicated that the contras are merging their various detachments, which had previously shown some estrangement in their actions and now appear as coordinated elements," Cuadra asserted.

He added that the struggle of classes inside the country "cannot be separated from the struggles against imperialism. That is quite clear in the document where parties of the [Ramiro Sacasa Guerrero National] Coordinated Board -- which openly admitted their links with the contras and U.S. imperialist interests -- have now joined forces with other bourgeois parties and parties which act as their agents in the labor movement."

He added that the MAP-ML is not surprised by this coordination among the internal forces "which claim to be civilian forces" and are nothing "but workers for the counterrevolutionary internal front, which is currently preparing to avail itself of the space offered by the national conciliation project."

Antipatriotic Document [subhead]

Likewise, PSN [Nicaraguan Socialist Party] leader Domingo Sanchez said that even though some of the points in the proposal might fulfill his party's interests, the main goal "goes against the homeland's interests."

"Why a peace commission? The Nicaraguan Government is not waging a war. Cease-fire? I do not understand this because the Sandinist government is not attacking anyone and we have no civil war here. We have a war of aggression, destruction, and looting by an irregular force that is comprised of mercenaries at the U.S. Government's service," he added.

Sanchez said that the PSN advocates developing a national unity to counter the imperialist aggression, and not to talk with Reagan's mercenaries.

"We consider ourselves patriots, and if Nicaragua has already established the basis for attaining peace in Nicaragua and Central America, which is still being boycotted by the Honduran, Costa Rican, and Salvadoran Governments, there is no need to seek another peace plan," he said.

Guillermo Potoy, who replaced PSD President Luis Rivas Leiva after the latter decided to join the counterrevolutionary forces, argued that the document's cosigners will not make the same proposals to the United States as Nicaragua's aggressor because "we talk about a dialogue with the Nicaraguans we fight here" and also "that the problem must be resolved by Nicaraguans without excluding any sector."

Even though the document was publicized by the seven parties which cosigned it, Potoy said it has not been discussed by all of them, "so my statement is issued on a personal basis."

Furthermore, the new PSD president justified the United States' aid to the contras "because the FLSN also received aid from other countries to fight Somoza, since it is difficult to carry out something alone."

KISAN LEADERS SAY SITUATION 'DIFFICULT'

PA101623 San Jose LA REPUBLICA in Spanish 5 Feb 87 p 9

[Text] The Miskito leaders of KISAN [Unity of Nicaraguan Atlantic Coast Indigenous Peoples] headed by Guillermo Espinoza, Jonatan Lopez, and Rafael Zelaya stated in a communique that the group's situation is difficult. For that reason, they will seek an immediate solution.

They said that the Miskitos have been without food for 11 months. [sentence as published] They added that so far no solution to the problem has been found within the framework of the Nicaraguan Opposition Unity [UNO].

They added that the democrats leading the UNO have been informed about the situation, because UNO is in charge of making an overall revision of the KISAN plan. Likewise, they stated that there is no reason why KISAN's Miskitos should go without food.

Thus, since 1 February the Miskito leaders and KISAN's cadres have been reviewing their role and value within the UNO.

OPPOSITION PARTY CHIEF DECRIES POLITICAL CLIMATE

AU101015 Vienna NEUE KRONEN-ZEITUNG in German 7 Feb 87 pp 4-5

[Unattributed report: "The Interview of the Week: 'Leeway for Opposition Is Increasingly Restricted"]

[Text] Many politicians of the bourgeois opposition have already left Nicaragua. Professor Virgilio Godoy, chairman of the Independent Liberal Party, which has nine seats in parliament, has stayed. In the following statements Prof Godoy outlines the political development in his country.

Totalitarianism: The state and the Sandinist government party are becoming omnipotent. They permeate all spheres of society. The state is Big Brother, the great protector, and the employer. Everyone who tries to evade this grip will sooner or later be faced with difficulties. Today all the mass media are controlled by the government and are filtered by censorship. Our party's weekly, for instance, has not been published for 20 months because we do not get paper. The political leeway in this country is becoming more and more restricted.

Political prisoners: Nobody knows exactly how many political prisoners there are. Figures oscillate between 3,000 and 8,000; more than 200 of them are members of our party alone. The charges are mostly having contact with the contra movement, which is supported from abroad. The suppression can now already be compared with that of the Somoza regime before the revolution.

Reagan, Gorbachev: Hands off Nicaragua! [subhead]

Foreign interference: We do not believe that the problems in Nicaragua, which we want to tackle with peaceful means, can be solved by war with the contras. We have repeatedly condemned the fact that this war is fomented from outside. We appeal to Reagan and Gorbachev: Take your hands off Nicaragua! Do not try to make Nicaragua the battlefield of your rivalries, so that we Nicaraguans can at least have an opportunity to decide our affairs ourselves.

COMMENTARY REJECTS UN RIGHTS VIOLATION CHARGES

FL102049 Havana Radio Rebelde Network in Spanish 1800 GMT 10 Feb 87

[Station commentary]

[Text] The U.S. representatives to the United Nations have dared to accuse Cuba of violating human rights.

The historical abusers of the peoples of the continent, the fellow countrymen of the bandit Walker, the ones who wrenched away half of Mexico's territory, those who plundered the riches of innumerable countries with their monopolies, the defenders and supporters of the continent's military dictatorships, the champions of the big stick policy, speak of rights.

If it were not so tragic it would seem sarcastic that those who imposed the Platt Amendment here, those who imposed corrupt and tyrannical governments, who occupy the Guantanamo Base against the will of the Cuban people, want to give Cuba lessons in human rights.

But what can one expect from those who in their own country daily violate the most basic rights of man? Everyone knows how the blacks are discriminated against in opportunties for jobs, education, and homes. Even children know about the Ku Klux Klan and its dark history.

The Chicanos, Puerto Ricans, and other Latin Americans are treated like inferior beings, and the treatment of American Indians -- the first residents and owners of the land -- is particularly cynical. They have been attacked, decimated, forsaken, and robbed. Their bravest leaders, such as Leonard Peltier and Dennis Banks are in prison on false charges.

That those who represent a country whose military expenditures are causing a deficit of hundreds of billions of dollars, speak of human rights is absurd when, in addition, they try to make up the deficit at the expense of social programs: education, medical care, and retirement benefits. And all this against the backdrop of 8 million unemployed, 33 million people living below the poverty line, and no maternity leave for woman workers.

No matter how much they try to distort the truth, the colonizers of Puerto Rico, the invaders of the Dominican Republic and small Grenada, will fail to deceive world opinion. Twenty-eight years of a government dedicated to the welfare of its people sustaines Cuba and no lie will affect its prestige.

NICARAGUAN GOVERNMENT, CHURCH REVIEW AGENDA

PA091850 Havana International Service in Spanish 1600 GMT 9 Feb 87

[Excerpt] The Nicaraguan Government hopes that at least the 11-point agenda of the dialogue with the Catholic bishops will be approved with the resumption of state-church talks on Monday in Managua.

In this regard, the state delegate in the dialogue Rene Nunez, said he hopes the Catholic Church will now bring a clear position leading to the approval of the 11 points.

Nicaraguan President Daniel Ortega and that country's Catholic bishops agreed to establish a dialogue commission to analyze friction points. So far, there have been three meetings. [passage omitted]

Commission Talks End

PA110247 Havana International Service in Spanish 1600 GMT 10 Feb 87

[Text] The next round of conversations between the Nicaraguan Government and the Catholic bishops will take place on 2 March in Managua. This was revealed at the end of the fourth meeting of the church-state commission in the Nicaraguan capital. Episcopal conference Secretary Msgr Bosco Vivas said the commission will meet again to seek points of agreement between government and church views.

The government representative at the talks will hold a news conference on Tuesday to report on the results of the last meeting. The relationship between church and government in Nicaragua became tense 5 years ago when some bishops publicly supported U.S. interventionist attitude in Nicaraguan domestic affairs.

ANGOLA RECEIVES TELEVISION TRANSMISSION SIGNAL

PA102253 Havana International Service in Spanish 0000 GMT 10 Feb 87

[Interview with Communications Ministry staff member Raul Garcia by Rolando de la Rivera in Luanda, Angola -- recorded]

[Excerpt] [De la Rivera] El Guayabero, a legendary troubadour from eastern Cuba, has been seen in the Mayombe jungle, located east of Cabinda Province in northern Angola. With his knavish smile and playing two of his most popular songs, El Guayabero's image and sound were received here thanks to Cubavision, a project carried out by Cuban television through the use of the INTERSPUTNIK satellite services.

The transmission was received with exceptionally clear, precise, and colorful images, and it formed part of a more extensive program containing newscasts and cultural segments lasting almost 4 hours a day.

The Cuban Communications Ministry staff heaaded by Raul Garcia, and made up of Luis Alejo Rodriguez, Julio Fernandez, and Miguel and Juvenal Rosel have just achieved the best reception ever of the television signal in the middle of the Mayombe jungle.

Garcia, to whom is the signal beamed?

[Garcia] In this case, the service to the Mayombe jungle is intended for the Cuban internationalists working in the 17 September Lumber Enterprise. Of course, the signal can also be received in any other region according to the interests of each country. To receive the signal in another region, a low-cost ground installation is needed. This would improve the cultural ties between Latin America and Africa. [passage omitted]

TRAVIESO TO CHAIR NEW LABOR UNION COMMISSION

FL110216 Havana Television Service in Spanish 0100 GMT 11 Feb 87

[Text] The national labor union commission to deal with matters related to income, costs, and profits of enterprises was created today [words indistinct] chaired by Francisco Travieso, member of the Secretariat of the Central Organization of Cuban Trade Unions. This working group was created in response to the remarks made by our commander in chief who recently called on the labor union movement and its members to struggle to eliminate enterprises' unprofitability.

The commission has among its objectives to prepare educational material, to conduct training seminars and conferences, as well as to conduct research projects on the subject.

MEETING EYES RURAL HAVANA SCHOOL ENROLLMENT

FL101725 Havana Radio Reloj Network in Spanish 1517 GMT 10 Feb 87

[Text] In the course of a meeting in Havana, it was learned that more than 9,000 Havana Province students and teachers have joined the second stage of rural schools [escuela al campo], which represents more than 94 percent of the plan. Participation in agricultural work is at 72 percent and fulfillment of the quota and retention at 76 and 85, respectively. The Agriculture Ministry is guaranteeing the substance of the work.

The conferees came out in favor of discussing non-enrollment in the rural schools plan with each parent. This is a Marti principle that seeks the full development of the individual's personality. More than 9,000 students and teachers particpated in the first stage, for a 95-percent fulfillment of the program. Guines Municipality had the best overall record.

L.A., CARIBBEAN FOOD, HEALTH WORKSHOP BEGINS

FL100252 Havana Television Service in Spanish 0100 GMT 10 Feb 87

[Announcer-read report]

[Text] The third workshop on food and health regulations for Latin America and the Caribbean began today at the Palace of Conventions with the participation of 11 countries and five international and regional organizations. The workshop is being conducted as a preliminary event to the fifth meeting of the regional coordination committee of the food codex which begins on Wednesday [11 February] in this capital.

Health problems caused by pesticides, veterinary medicines, drugs, and heavy metals in plants and animals used for food are some of the matters discussed at the workshop.

The regulation of the manufacturing process to guarantee healthy and harmless food and the importance of the utilization of proteins from plants indigenous to the region, are the two other subjects which will be analyzed in this workshop sponsored by the FAO and the State Committee for Standardization.

BARBADOS

DEVELOPMENT BANK RELEASES ANNUAL REPORT

FL091746 Bridgetown CANA in English 2048 GMT 5 Feb 87

[By Hallam Hope]

[Text] Bridgetown, Barbados, Feb 5, CANA -- The financial position of the state-run Barbados Development Bank (BDB) worsened during 1985-86 when the institution recorded a 7.4 million Barbados dollar (one Barbados dollar -- 50 cents U.S.) loss. The bank's annual report today said its operations continued to be affected by difficulties facing its lending sectors and it had extended its programme of assistance to ailing projects and adopted measures to restructure its loan portfolio. The BDB recorded a loss of 1.5 million dollars for the year ended March 31, 1985.

A review of the company's operations said the local tourism industry faltered during 1985-86 as declines were recorded in arrivals and real output. With prospects for recovery in the sector still uncertain, the hotel industry will continue to require special assistance in overcoming its difficulties, the bank said. It added that the manufacturing industry remained troubled by the loss of regional outlets and difficulties in breaking into extra-regional markets.

Loan approvals declined by 34.1 per cent to 16.8 million dollars after reaching a record level of 25.5 million dollars during the previous year.

The number of loans approved continued on a downward trend with 229 being recorded during the review period compared with 284 in 1984-85 and 328 in 1983-84.

However, disbursements rose by 14.2 per cent to 21.7 million dollars following the increase of 27.5 per cent in the previous year.

The bank said the fall-off in lending to industry was the main factor contributing to the decline in total approvals during the year. Small business and small manufacturing sectors also received less funding but there were significant increases in lending to tourism and fisheries. Loan approvals to tourism increased 1.4 million dollars or 23 per cent to reach 7.5 million dollars.

The bank continued its programme of assistance to projects in difficulty, with the rescheduling of loans, capitalisation of interest and the use of consultants and business advisors to supplement the in-house resources of the bank, it added.

The review said an important feature of its programme was the provision of funds for hiring three consultants to assist the bank in restructuring its loan portfolio. These consultants would specialise in financial analysis, cost accounting for small and medium sized hotels and industrial engineering, the review said.

HAITI

POLICE TO ENTER HOMES WITHOUT SEARCH WARRANTS

FL061318 Bonaire Trans World Radio in English 1130 GMT 6 Feb 87

[Text] The Haitian Government says it will enter homes without using search warrants. Police have already entered the home of at least one opposition politician and the action has drawn criticism. The man was one of the first organizers of the first democratic congress which ended Sunday [1 February] in Port-au-Prince.

The congress has passed resolutions during its 4 days of meetings which condemned the National Council of Government. The congress also called for peaceful demonstrations of former dictator Jean-Claude Duvalier.

ST LUCIA

COMPTON TO STUDY AIRLINE'S TIES TO CIA, IRAN DEAL

FL101430 Bonaire Trans World Radio in English 1130 GMT 10 Feb 87

[Text] St Lucian Prime Minister John Compton has ordered an investigation into the operation of St Lucia Airways following reports that said the airline was used by the Central Intelligence Agency of the U.S. to ship weapons to Iran and Zaire.

The decision to investigate the airline's operations was made after two newspapers in London and New York reported that the CIA had used St Lucia Airways to ship arms to those countries.

Company officials for the airline have denied having used the planes to deliver weapons but the British news, reportedly quoting former employees, said it was common knowledge that the shipments were taking place.

TRINIDAD AND TOBAGO

PRIME MINISTER DECLARES WAR ON ILLEGAL DRUGS

FL102219 Bridgetown CANA in English 1944 GMT 10 Feb 87

[By Debra Ransome]

[Excerpt] Port-of-Spain, Trinidad, Feb 10, CANA -- The new Trinidad and Tobago Government today declared war on illegal drugs, with Prime Minister ANR Robinson calling for a national crusade and a whole complex of measures at the domestic, economic, social, political, legislative and international levels.

We totally condemn the drug trade and those who engage in its promotion, said Robinson kicking off parliamentary debate on a controversial government report which linked key police and customs officers, magistrates, and former government ministers with local drug use and abuse.

Robinson said the contents of the report pointed to a growing underworld and warned that once word got around that Trinidad and Tobago was easy on drug dealers and users, a kind of Mafia would develop here.

You do not play with these matters, Robinson told Parliament in a speech broadcast live on radio and television here.

Robinson said his eight-week old government, which made the 1986 report public last Friday, was committed to strengthening legislation to permit the confiscation of property acquired through drug trafficking, the cleaning up of the local police force, increasing leisure provisions and gainful employment for young people, and raising moral standards throughout the country. [passage omitted]

Magistrates Sent 'on Vacation'

FL102305 Bridgetown CANA in English 1533 GMT 10 Feb 87

[Text] Port-of-Spain, Trinidad, Feb 10, CANA -- Four of five magistrates named in the just-released report of a government commission on narcotics trafficking here were last night ordered on vacation.

The decision came out of yesterday's meeting of the supervisory judicial and legal service commission under Trinidad and Tobago Chief Justice Clinton Bernard. The legal commission said its decision was taken in the interest of prevailing circumstances.

Bernard had met earlier with the five magistrates -- Deputy Chief Magistrate Ian Seukeran, Senior Magistrates Conrad Roach, and Kelvin Ali, and Magistrates Beecham Maharaj and Patrick Jagessar. The first four were told last night to take their leave until further notice or until the matter was settled. Magistrate Jagessar is currently before the courts facing other charges of accepting bribes and attempting to pervert the course of justice.

The commissions decision follows similar action by the police service commission, which suspended the 53 police officers named in the 119-page report tabled in Parliament here last Friday.

Jagessar, who held separate discussions with the chief justice yesterday after the others left, has not commented on the allegations against him, whilst Seukeran and Roach have publicly denied the commissions assertions.

The report linked at least three unnamed former government ministers, five magistrates, 53 police officers, and a customs official with the narcotics trade.

CONVENTION ELECTS MANNING HEAD OF MOVEMENT

FL101440 Bonaire Trans World Radio in English 1130 GMT 10 Feb 87

[Text] Former Trinidad Minister of Energy Patrick Manning has been elected leader of the defeated Peoples National Movement. The special convention Sunday [8 February] was held after former Prime Minister George Chambers resigned from the job following his December 15 electoral defeat.

BOUTERSE, PARTIES ANALYZE 'DEMOCRATIZATION PLAN'

PM031441 Amsterdam DE VOLKSKRANT in Dutch 22 Jan 87 p 6

[Han Hansen dispatch: "Bouterse Gets Presidency in Return for Elections"]

[Text] Paramaribo -- Surinamese Army leader Desi Bouterse still wants to reach an agreement in principle this week with the old political parties on a democratization plan. One of the important compromises will be the choice of Bouterse as president with executive powers. In exchange for this the political parties will be allowed to organize free elections to a parliament to which the military authorities will be subordinate.

According to agreements reached, the formation before 1 March of a new cabinet will precede the promised referendum on the draft constitution. The three largest political parties -- Lachmon's VHP [Progressive Reformed Party], Arron's NPS [Surinamese National Party], and Soemita's KTPI [Indonesia Peasants' Party] -- will be stongly represented in this cabinet. This would give the Surinamese people confidence in the deomcratization model and lead to a massive vote in favor of the new constitution.

At the beginning of this week Bouterse hinted on radio that he is available for the presidency. As early as September 1982 the Army leader said he saw the country's highest office as his own ultimate goal. This emerged at the confidential consultations at Katwijk-Wederzorg on democratization.

The VHP and the NPS were already involved at this early stage in secret agreements on the role of the president and the powers of parliament. The new-style president would be elected by parliament for a term of at least 10 years. Coup attempts and above all the emotions after Bouterse and his company murdered 15 prominent Surinamers in December 1982 long torpedoed serious talks about the restoration of democracy in Suriname.

According to someone who took part in the 1982 talks, Bouterse did not at that time consider himself to be ready to become president. Chin A Sen was decreed president and was given powers on the model of the presidents in Washington and Paris.

It is said that in the talks held in the so-called supreme council the Presidency has been promised to Bouterse for life, along the lines of the Katwijk-Wederzorg talks. The Army leader much prefers this post, with its relatively strong grip on government and parliament, to a seat on a future Council of State. It is clear that Bouterse does not see a role for himself in the political field.

To achieve the compromise on the democratization package it is said that an agreement was reached in the Supreme Council that the VHP, NPS, and KTPI as the dominant parties in the new parliament would unanimously recommend the Army leader for the post of head of state. There has been lengthy wrangling in the Supreme Council over the compositon of the new parliament. The 25 February movment, as the political arm of the military authorities and a section of the trade union movement, were most in favor of "indirectly elected representatives [getrapt gekozen vertegenwoordigers] from the various sections of society."

The Supreme Council and the various preparatory committees selected from members of the National Assembly have discussed all manner of alternative models, such as a combination of indirectly elected representatives and members of political parties who would enter parliament through free elections. Also, a system of two separate chambers has been discussed: a sort of second chamber whose members are elected through free elections and a senate with a membership determined through the other system.

Last week the Supreme Council's discussions were seriously hampered by the conflict over diplomatic relations with the Netherlands. As a result, Foreign Minister Herrenberg has "definitely made himself impossible" to the political parties and industry and commerce. At the start of the week in Paramaribo people had begun to expect his departure from the cabinet in the near future, but Bouterse himself is said to have proposed allowing Herrenberg to stay on, although without much political clout, until the Radhakishun cabinet's resignation about which agreement has already been reached. Foreign relations are already being handled largely by Henk Heidweiler, an adviser to Army leader Bouterse.

SURALCO TO PROVIDE ELECTRICITY TO PARAMARIBO

FL101441 Bonaire Trans World Radio in English 1130 GMT 10 Feb 87

[Text] The Surinamese bauxite company, Suralco, has met a government request to supply the capital with electricity from its Paranam power plant.

There is a serious shortage of energy in Paramaribo since the jungle commando units led by Ronnie Brunswijk blew up two power lines last month.

Suralco has also announced that all of its 2500 employees will be paid until the end of the month but what will happen after that is unclear.

The aluminum company and the aluminium smelter have been put out of producion by rebel attacks.